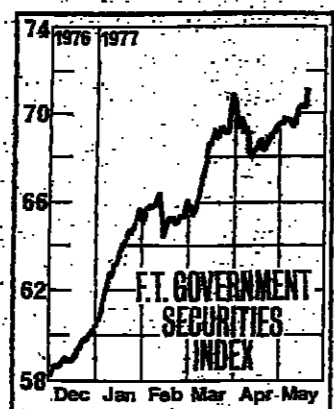




NEWS SUMMARY

GENERAL SCHOOL... New rise in gilts; equities up 1.5



...in Tameside. Greater... school... election

...court move... Cup final

...tour starts

...voice charges

...title

...trove

...vote

...fly

...re-election

...Rippon

...re-election

...re-election

...re-election

Davy wins £147m chemical plant order from Russia

BY KEVIN DONE, CHEMICALS CORRESPONDENT

The largest contract between the U.K. and Russia was concluded last night by Davy Powergas, a subsidiary of Davy International. The £147m. deal for the supply of two methanol plants was awarded to Davy in the face of fierce international competition.

Less than a month ago, after a discount against both the dollar and the D Mark in the year, the deal began to slip forward...

By doing this, the sterling income for the contractor is substantially more than would be received if the contract was based on the spot sterling-dollar rate at the time the contract was entered into.

The Government is anxious to see more deals concluded in this way as they provide a considerable balance of payments saving, and also cut the drain on public expenditure because of the need to finance sterling loans.

On Sunday, Mr. Gerry Fitt, leader of the mainly Roman Catholic Social Democratic and Labour Party, called for all-party negotiations on the province's constitutional future.

Mr. Fitt's unequivocal support for the role played by the Royal Ulster Constabulary throughout the strike, and his important statement that the RUC now has the confidence of the Roman Catholic community, should ensure that the talks on administrative devolution take place against a cordial background.

The news of Mr. Mason's initiative has coincided, however, with angry reactions from Republican and Protestant paramilitants to the disclosure that secret peace talks have been taking place with the aim of bringing them together.

Meanwhile, more than 2,000 ballot boxes are being kept in police stations throughout the Province and will be delivered to almost 600 polling stations in time for voting, which starts at 8 a.m. to-day.

In all, 1,020 candidates are running for the 626 seats on Ulster's 26 local councils. Mr. Paisley's Democratic Unionists have 100 candidates.

Mason launches initiative on eve of Ulster poll

ON THE EVE of Ulster's local elections, which in the wake of the Loyalist-strike have taken on a new significance, Mr. Roy Mason, Northern Ireland Secretary, has launched the first phase of a new political initiative.

Mr. Mason has invited Mr. Harry West, leader of the dominant Official Unionist Party, which opposed the extremist strike, to meet him next week for discussions on security and political questions.

There is a guarded optimism in Northern Ireland that a fresh series of inter-party talks could improve the conditions of Direct Rule from Westminster, even producing a blueprint for an eventual constitutional settlement on, say, a five-year time-scale.

The likelihood is that with last week-end's formal collapse of the Loyalist strike, and the disbanding a fortnight ago of the United Ulster Unionist coalition by the Official Unionists, there will shortly be a major re-alignment of the main Loyalist parties.

Office building policy changed

By John Hunt, Parliamentary Correspondent

A MAJOR change in Government policy over the location of new office buildings was announced in the Commons by Mr. Peter Shore, Environment Secretary, last night.

Mr. Shore has given a new remit to the Location of Offices Bureau, which was set up in April, 1966, with instructions to "encourage the decentralisation of office employment from congested central London."

The Bureau is to be given new terms of reference which involve almost the opposite aim. It is to promote office employment in inner urban areas including London.

Mr. Shore said that the Bureau's aim would be "to promote the better distribution of office employment throughout the country."

It will also be given the task of attracting international concerns to locate office employment in Britain.

The changes mark a move away from traditional Labour policy which, since Lord George-Brown (then Mr. George Brown) introduced Office Development Permits in the 1960s, has always been based on strict control of office development.

Mr. Shore also announced big relaxations in the present operation of the permits. He had decided to confine the operation of the controls to those office developments of major importance.

Therefore, the aim would be to exempt development in inner London, or to confirm whether it was intended to re-secure the Australians that C. A. Parsons had been moderately optimistic about the prospect of getting foreign business so long as the Government ensures a base load of domestic orders.

Last week GEC said that there was no point in ordering Drax before it was needed in 1978, and criticised Parsons' technical record.

Mr. Bob Davidson, managing director of GEC's turbine-generator division, said Parsons was having trouble with four sets in three countries.

These are at Drax A, Inverclyde, Scotland, Hunterston and Nantouke, Ontario.

One of the rotors at Drax was found to have cracks and has to be replaced. However, Parsons says the other sets are being modified as a precautionary measure.

GEC claimed to have won 21 of the last 26 U.K. orders, a figure which Parsons disputes. A statement from the main Board of Royville Parsons said: "Since 1965, a total of 38 large machines have been ordered, of which 15 have gone to C. A. Parsons."

"A further four machines for a nuclear station were cancelled after Parsons had been given the contract."

Power talks snag for £100m. deal

BY MAX WILKINSON

THE DEADLOCK in discussions on the structure of the power engineering industry is endangering an export order worth about £100m, which C. A. Parsons was on the point of landing.

The contract, for a power station at Loyang, Victoria, Australia, might be as important in providing work for the company's Newcastle works as an order for the controversial Drax B station near Selby, Yorks.

Parsons is understood to have produced the lowest tender for two 500MW sets, but the Australians have indicated that they are not happy about placing an order with the company until the future of the power engineering industry is clearer.

A further two 500MW sets are expected to be ordered for the station quite soon.

The company awarded the first contract clearly stands an excellent chance of being given the second phase. Together the two jobs represent the same amount of work as that for Drax.

The importance of this contract explains the Prime Minister's sudden intervention in the industry's delicate negotiations.

Mr. Callaghan announced in the Commons last week that the order for a 2,000 MW station at Drax would be placed with minimum delay.

Indeed, every major turbine-generator manufacturer in the world has had problems with introducing a new range of larger machines.

Rupert Corwell, Lobby Staff writer: "The imminent decision whether to make a quick start on the Drax-B coal-fired power station has become the litmus test of the Government's whole industrial strategy—according to Mr. John Biffen, a former Tory spokesman on industry."

An early order in response to regional lobbying would "pay an immense premium for jobs in Renfrew and Tyneside," he said.

In a speech to the Political Committee of the Junior Carlton Club last night, Mr. Biffen made a resounding plea for "normal market relationships" to prevail.

Mr. Biffen offered the chance of a "wholly realistic appraisal" of the country's future power generating needs, and the judgment could best be made by the Central Electricity Generating Board itself.

Clientelism relations in the power industry would be vastly improved "if one or other of the disgruntled parties did not feel he had a direct line to Government Ministers and political lobbying."

£ in New York

Table with exchange rates for various currencies including New York, London, and others.

Table of price changes yesterday, listing various stocks and their movements.

Table of features and other pages, listing various news items and their page numbers.

Advertisement for British Airways, featuring the slogan 'More of Eastern Europe, more often. Fly the flag.' and an image of a jet flying over a map of Europe.





EUROPEAN NEWS

Contrary to some forecasts, Zbynek Zeman suggests that the USSR will continue to produce an exportable surplus of oil

Holding on to first place

THE VIEW appears to be gaining ground in the West—particularly after the recent CIA report—that the Russians are about to run into difficulty with their oil industry, that their reserves are too low and production will decline, that consumption is growing too fast, and so on.

While there is little hard information on Soviet oil reserves, what data there is suggests a different conclusion, namely that in the short to medium term Soviet oil prospects are quite good. This means that the Soviet Union will not only hold its place as the world's largest oil producer with over 500m. tons a year, but will also have a surplus to export to world markets and to its East European allies.

This export potential—about which the U.S. Central Intelligence Agency is clearly sceptical—could put the Soviet Union in a favoured energy position in the medium term.

For there is a growing feeling within energy industries that the West could run short of oil supplies within the next 25 years. The International Workshop on Alternative Energy Strategies, which this week reported on global energy prospects between 1985 and the year 2000, saw the possibility of free world oil supplies lagging behind demand as soon as the early 1980s. (WAES largely ignored the influence of the USSR and China because it was felt that their oil trade with the rest of the world would remain relatively small until the end of the century.)

Trends in the Soviet and Comecon energy sector have generally paralleled trends in the West. Oil and natural gas are coming to be seen less as sources of primary energy than as raw materials for the chemical industry; more of the burden of

PROJECTION OF SOVIET ENERGY CONSUMPTION IN 1980

	Minimum		Likely version	
	1980	Share %	1980	Share %
Oil	658	35.3	686	36.3
Natural Gas	436	23.7	464	24.6
Coal	575	31.3	567	30.1
Other solid fuels	60	3.2	60	3.2
Hydro and nuclear energy	110	6.0	110	5.8
Total	1,839	100.0	1,887	100.0

SOVIET OIL BALANCE 1975 and 1980 (m. tonnes)

	1975	1980
Production	630-640	491
Consumption	480	361
Exportable surplus	150-160	130

power generation is being shifted to coal and nuclear fuel.

Also, the Russians are trying to relocate industry closer to the big sources of coal and hydro power in Siberia, and effect big energy savings.

The 1976-1980 plan calls for crude oil output, including gas condensate, to reach 620-640m. tonnes in 1980; an absolute increase of 129-149m. tonnes, or 26.3-30.3 per cent. This is a slower rate of growth than before; nevertheless, prospects for production reaching the upper target are good.

The West Siberian oil fields are to produce most of the increase, and they are well placed to reach the upper end of their 290-300m. tonnes target. This increase will more than compensate for the declining trend in European Russia, including the Caucasus and the Volga-Urals fields. Output here is likely to diminish to some 290-270m. tonnes, despite the growing use of secondary recovery methods.

Serious doubts have been raised as to whether the Soviet Union will be able to go on supplying its East European allies with the required amounts of oil, and whether it will go on exporting to the West. There are two developments in particular which will help the Soviets.

1980 is likely to be much lower than earlier forecasts had assumed.

The projections here were prepared after the main information on the current Soviet development strategy became known: that is to say, after the announcement of the current year plan. This has made it possible to develop two scenarios: one assumes that Soviet economic growth will be as low as planned and that the energy savings will be effected. The other projection assumes that Soviet economic growth will be somewhat above plan, and that the intended savings will not be wholly realised.

But both these projections forecast a consumption rate that is considerably lower than an previous estimate. (For instance a NATO seminar in January 1976 regarded a consumption forecast of 2,335m. tonnes of coal-equivalent), of which 786m. tonnes of coal-equipment was set aside to the consumption of oil, as accepted. Considered together with production trends, it is likely that the Soviet Union will have an energy surplus in 1980 about twice as large as in 1975.

Even if the Soviets decide to develop their petrochemical industry faster than planned bringing about a rapid increase in domestic consumption of oil, their exportable surplus is likely to sink below 140-150 tonnes by 1980.

Despite rising East Europe requirements, crude oil available outside the Comecon area in 1980 should be over 50m. tons and therefore well above the average in the 1971-75 period. The Russians will retain the most important source of oil, and the East Europeans will not go short of oil.

Dr. Zeman is co-author of "Comecon Oil and Gas" published by the Financial Times.



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Italian banks lower rates

ROME, May 17.

THE 14 major Italian banks are to reduce interest on deposits by about 1 per cent, they decided at an informal meeting in Sorrento. The maximum rate payable on the largest deposits will fall to 15.75 per cent, from 16.5 per cent. Other rates will drop one point. The prime rate of interest charged on loans will remain at 19.5 per cent.

The cut in deposit interest is intended to curb the high level of liquidity the banks are acquiring. This rise in liquidity has become acute. At the April auction of Treasury bills, the banks became substantial net buyers of bills for the first time in 18 months.

Interest on Treasury bills stands at about 17 per cent, depending on maturity. This rate weakened slightly in April, especially for shorter-term bonds, while there was a fairly heavy demand for the 6-month and 12-month issues, a further indication that the banks are liquid and are prepared to commit their funds for longer periods because they do not expect to find commercial borrowers. They are also believed to have bought about L2,000m of Treasury bills privately from the Bank of Italy.

Dutch curb asbestos use

AMSTERDAM, May 17

BY MICHAEL VAN OS

THE DUTCH Social Affairs Ministry is to limit drastically the use of asbestos in Holland because it is a hazard to health.

The Ministry said today that in about a year it will be illegal to sell, process or re-process crocidolite (blue asbestos) as well as materials or products containing such. It will also be forbidden to spread (spray) asbestos or products containing asbestos.

It also said it was aiming to ban as soon as possible the use of asbestos for insulation and for conservation and decorative purposes, although further studies would be made in the area.

Exemptions may be given in certain cases depending on the nature of the use of the asbestos in the air, but it may never be higher than two fibres per cubic millimetre, and lower if technically possible. The limit for more dangerous blue asbestos will be less than two fibres per cubic millimetre.

Exemptions will be judged by the Minister and a Committee of experts and representatives from employers and unions.



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And commercial electronics is just one of the six basic business areas at Raytheon. The others are government systems, energy services, major appliances, educational publishing, and heavy construction equipment. For copies of our latest financial reports, contact any of the offices or companies listed below, or write: Raytheon Europe, 52, Route des Acacias, 1227 Geneva, Switzerland, or worldwide headquarters, Raytheon Company, 141 Spring Street, Lexington, Mass. 02173, U.S.A.



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# Internal pressure for new Bonn reflation increases

BY JONATHAN CARR

BONN, May 17

LESS THAN two months after agreeing on a DM16bn. public sector investment programme, the West German government is coming under pressure to take further steps to boost the economy.

The pressure is now less from deficit nations like Britain who want increased German demand for their exports, than from unions, employers' associations and economics institutes inside Germany itself.

The latest example came today from the IFO institute in Munich which urged the Government to follow up its steps so far with a DM4.5bn. programme to help stimulate private investment.

Among other measures proposed are improved allowances for depreciation and bonuses for investment in the research and energy fields.

IFO argues that the Government is still acting too strongly to reduce the public sector deficit when the economic situation now demands further expenditure to try to boost growth.

The institute notes that the deficit was reduced from DM65.5bn. in 1975 to DM49bn. last year, and continues to improve rapidly. On top of that a per cent. value added tax increase is planned for next year. IFO argues there is little sign that increased Government borrowing would overstrain the

# Mondale praises Spain

By Roger Matthews

MADRID, May 17

MR. WALTER MONDALE, the U.S. Vice President, today declared himself "thrilled" by the developments towards a democratic society in Spain, and stressed that relationships between Spain and the U.S. had never been closer.

Mr. Mondale also had kind words for Prime Minister Adolfo Suarez, and looked forward to continuing the talks that had started when the Spanish Premier was in Washington recently.

Shortly after his arrival, Mr. Mondale visited Sr. Suarez, and later went on to see King Juan Carlos. The talks were expected to cover much of the same ground as those last week when Mr. Cyrus Vance, the U.S. Secretary of State, also visited Madrid. This means they would concentrate on bilateral issues such as U.S. financial aid and general commercial relations, plus a review of Spain's post-electoral strategy including possible membership of NATO.

However, there is also a strong element of direct United States electoral support for Sr. Suarez, who is leading the Union of the Democratic Centre, in the campaign for the June 15 elections, although before reaching Madrid.

A few hours before the arrival of the Vice-President, a powerful bomb ripped through the U.S. cultural centre in Madrid, slightly injuring a night watchman and causing extensive damage.

The violence in the Northern Basque provinces has meanwhile abated sharply.

# EEC agrees U.K. shipbuilding aid

BY REGINALD DALE, EUROPEAN EDITOR

BRITAIN and the EEC Commission have reached provisional agreement which should allow its 255m. fund to aid the shipbuilding industry.

The two sides have failed to agree on State aids for the marketing of offshore oil platforms and equipment, which the commission continues to regard as illegal under Rome Treaty rules.

After talks in London with Mr. Gerald Kaufman, Minister of State for Industry, M. Raymond Vouel, Commissioner for Competition, said the agreement on the aid fund for shipyards, credit for up to 80 per cent of the value of major orders.

The commission opened formal Rome Treaty proceedings against the British scheme earlier this year.

On the British side, it was emphasised that the commission had requested only minor technical changes in the scheme to bring it into line with practices in other EEC countries.

The commission has extensive powers to police state aids under the Rome Treaty, which prohibits measures which distort competition between member countries.

Negotiations will have to continue on Government aid for the oil platform construction industry, involving interest rate rebates of 3 per cent on buyers competing with rivals outside the EEC, so as not to discriminate against other Community countries.

The commission opened formal Rome Treaty proceedings against the British scheme earlier this year.

So far the Commission has not pressed its case too hard on the oil platforms, a sensitive political issue in view of the jobs involved. But formal complaints against the British aid scheme by Denmark and West Germany have increased pressure in Brussels.

In talks with Mr. Anthony Wedgwood Benn, Energy Secretary, in London on Monday, M. Vouel repeated earlier Commission proposals that the interest rate rebates should apply only when U.K. yards are competing with rivals outside the EEC, so as not to discriminate against other Community countries.

He is pressing for a Community-wide system of investment aids for the offshore oil

construction industry.

The U.K., however, regards its present system necessary to protect British yards from subsidised competition and doubts whether true being adversely affected, as the Commission maintains.

Mr. Benn, nevertheless, repeated the Government's willingness to discuss the Commission ideas once it has provided more details.

He pointed out to M. Vouel that the commission had raised formal objection when the scheme was first introduced in 1973. The commission said that there was no competition problem at that time because the industry in other EEC countries was much less developed.

# Brezhnev sees hope of arms reduction

BY DAVID SATTER

MOSCOW, May 17

SOVIET PARTY leader Mr. Leonid Brezhnev, said tonight that successful completion of a second strategic arms limitation agreement would prepare the way for far-reaching disarmament measures, but warned that the Soviet Union will not accept an agreement which provides "unilateral benefits for others."

Speaking at a Kremlin dinner in honour of Finnish President Urho Kekkonen, who is in the Soviet Union on an official visit, Mr. Brezhnev said that the main effort of consolidating detente is "the problem of bridging the arms race and moving over to a real reduction of armaments."

Mr. Brezhnev's remarks came as Soviet Foreign Minister Andrei Gromyko arrived in Geneva to begin a new round of SALT negotiations with U.S. Secretary of State Cyrus Vance.

Two U.S. proposals for rekindling progress in the negotiations were rejected six weeks ago by the Russians in Moscow as "inequitable."

The Soviet leader said that the guidelines for a new SALT agreement have already been determined by "the well-known 1974 Vladivostok accord. The successful completion of this great work" would also help to bring about a complete nuclear test ban, the banning of new weapons of mass destruction and limits on the development and testing of several other kinds of arms.

Mr. Brezhnev said that the

liquidation of foreign military bases in the Indian Ocean and the withdrawal of ships carrying nuclear weapons from the Mediterranean are also detente-related questions which should be discussed.

He pointed to co-operation between the Soviet Union and Finland as a model for what could be achieved in the field of inter-state relations. "The two countries are scheduled tomorrow to sign a long-term agreement on economic, technical and scientific co-operation for the period between now and 1990."

Reuter reports from Geneva: Soviet Foreign Minister Andrei Gromyko said tonight the Kremlin was ready to do everything in its power to bring about a new SALT agreement with the U.S. that went "in the correct direction." He made his comment on arrival in Geneva from Moscow. Mr. Gromyko also indicated, however, that the Soviet Union expected any new initiative to come from the U.S.

UPI adds: Mr. Paul Warnke, chief U.S. arms negotiator, also in Geneva for the talks, said the U.S. saw "several encouraging signs" which have been transmitted by the Soviet Union.

He added that the progress in the technical arms talks he has been having since May 11 have also given him ground for believing that there is a good possibility of progress in the main negotiations.

# Tugendhat attacked over farm prices

BY ROBIN REEVES

BRUSSELS, May 17

MR. CHRISTOPHER Tugendhat, primary responsibility to support Britain's second European Commissioner, was hauled over the coals by Common Market agriculture ministers here today for a speech he made earlier this month attacking this year's EEC farm prices settlement.

In an unprecedented carpeting of a member of the Brussels Commission by the EEC's decision-making council, a majority of ministers protested in the strongest terms at inferences in Mr. Tugendhat's speech: notably when he accused them of a "frankly irresponsible attitude towards" cost, and of "understandably conceiving their

distinct signs of impatience and irritation at the unscheduled interruption in the Council's proceedings.

Mr. Tugendhat told Ministers that it was certainly not his intention to question their good faith. If there had been any misunderstandings—exaggerated by translation difficulties—then he apologised.

But he was totally unrepentant on his criticisms of the high budgetary cost of this year's farm prices package—some £17m. as against a forecast budget for the original Commission proposal of only £14m.

# Go-ahead for Italian loan

BRUSSELS, May 17

COMMON MARKET Farm Ministers today gave the formal go-ahead for the EEC to raise a \$500m. loan for Italy on the international capital market. Community officials said.

The Ministers instructed the EEC Commission to open negotiations for the loan with a consortium of international banks.

The loan will be split into two parts. A total of \$300m. would be raised for seven years while the remaining \$200m. would have a five-year maturity.

Reuter

# PORTUGAL DEBT TOPS \$3.4BN.

# No firm decision on consortium loan

BY DIANA SMITH

LISBON, May 17

THE PLAN for a \$1.5bn. consortium loan to Portugal, originally proposed by former U.S. Secretary of State Henry Kissinger last year, appears to have collapsed. Prime Minister Mario Soares, faced with an urgent need to improve the balance of payments, had hoped it would be delivered by the end of this year.

At a meeting yesterday in Paris, chaired by Mr. Paul Roeker, U.S. Under-Secretary of State, and attended by representatives of all EEC and EFTA countries, except Iceland, together with Japan, Venezuela, the IMF and the World Bank, discussion of ways to help Portugal's crippled economy produced no firm decisions about consortium loans.

The EEC monetary fund is apparently not prepared to give a group loan, although individual EEC countries would be willing to set up bilateral medium-term agreements, repayable over 2-10 years. These will be discussed at a further meeting to be held soon in Paris.

Portugal will receive \$300m. from the U.S. and \$200m. from West Germany in the next 18 months to help the balance of payments.

Yesterday, U.S. Vice-President Walter Mondale (who left Lisbon for Madrid this morning) said it was hoped that loans of

between \$700m. and \$800m. would be forthcoming over the next 15 months, including the \$500m. already promised by the U.S. and West Germany.

Leading Portuguese economists suggest that the country could get by with \$1bn. in loans, rather than \$1.5bn., because tourism and emigrants' remittances have picked up encouragingly. The medium and long-range industrial picture, however, is still unsatisfactory, and exports are not increasing at any noticeable rate.

Furthermore, Portugal must repay its foreign debt—now running at over \$3.4bn. It was made clear at yesterday's meeting in Paris that no extension of repayment terms would be forthcoming.

Meanwhile, Portugal and Israel's decision to upgrade their diplomatic relations to embassy level has brought protests from Arab nations. This could have serious economic consequences for Lisbon, which depends heavily on Iraq for oil.

Yesterday's report from Cairo that Egypt has called on the 21-member Arab League to ask Portugal to either cancel or delay her decision to establish full diplomatic relations with Israel is being treated cautiously by the Portuguese Ministry of Foreign Affairs.

# Tough talking at French Union of Left summit

BY ROBERT MAUTHNER

PARIS, May 17

FRANCE'S LEFT-WING alliance, according to the opinion polls, stands more than an even chance of winning next spring's general election, today agreed the potentially divisive step of revising its common government programme.

The decision was taken at a summit meeting of the leaders of the three parties of the Union of the Left, M. Francois Mitterand (Socialist), M. Georges Marchais (Communist), and M. Robert Fabre (Left-wing Radical), who agreed to set up a member working party to update the joint programme.

The conclusions of this group will be submitted to another summit at the end of June or beginning of July by which it is hoped, the serious agreements which have arisen within the Union will have been laid out. But there was little indication that much progress on fundamentals.

Mr. M. Marchais said afterwards that the discussions had been "very positive." Mr. Mitterand and sources said the summit had been very tough.

But the costing of the common programme of the Left is by no means the only point on which the Socialists, Communists and Left-wing Radicals disagree. The Socialists are also opposed to the Communist demand that the original list of nationalisations—covering nine of France's biggest industrial groups and all banks which are not yet state-controlled—should be extended to include practically the entire steel industry, the CFP-Total oil company and the remaining private motor companies such as Peugeot-Citroen and Chrysler-Simca.

On some other important issues, however, the three partners have come closer together, thanks mainly to a number of major concessions which the Communists have made recently. In a complete reversal of their previous policy, they have now accepted the existence of France's nuclear force, at least until conventional forces have been greatly strengthened, as well as direct elections to the European Parliament on condition that it is not given any additional powers.

# Is this really how you see British industry?

Reading the papers can be a pretty depressing experience these days. If you believed everything that was written, you could be forgiven for thinking that British industry doesn't have a single successful company within its ranks.

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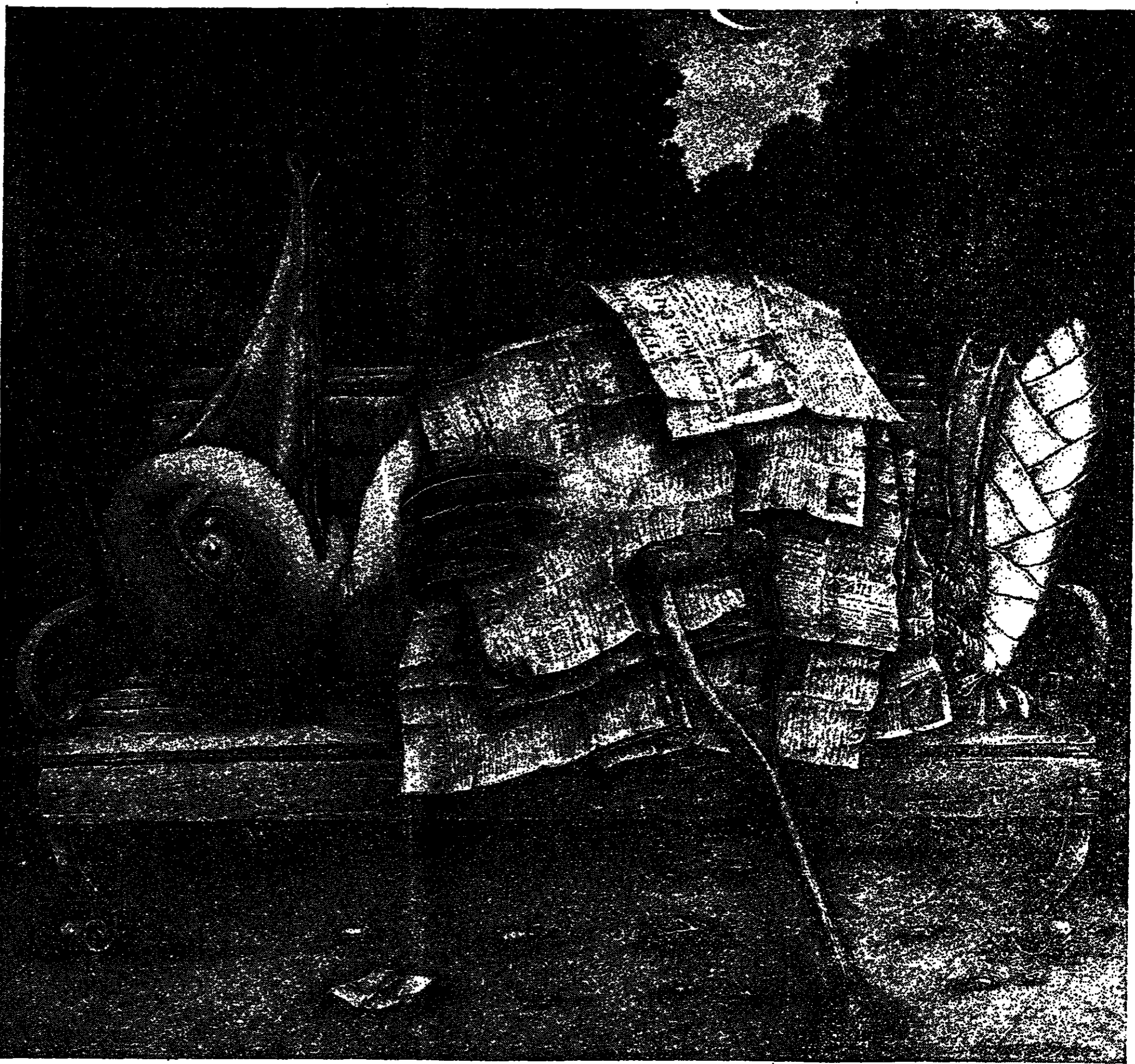
And Central Lancashire's continuing development programme is ensuring a steady supply of factories and warehouses for new growth.

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If you'd like to know more about Central Lancashire, write to our Commercial Director, Bill McNab, Central Lancashire Development Corporation, Cuerden Pavilion, Bamber Bridge, Preston PR5 6AZ. Telephone: 0772 38211.

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The foundation for your future.



AMERICAN NEWS

Blumenthal wants NYC to find its own finance

By David Bell WASHINGTON, May 17.

THE CARTER Administration expects New York City to borrow part of its financing needs for the 1978 fiscal year "on its own."

Mr. Blumenthal said that the city still needs to do more to reduce the rate of growth of its spending. But he added that if the city's 1978 budget is on target, as is expected, the U.S. Treasury will provide the city with financing for a third year under the Seasonal Financing Act.

He said the city estimates that it will need about \$2.1bn. of seasonal funds, but the Treasury contribution would only be forthcoming after city officials had demonstrated conclusively that seasonal financing is not available to them from any conventional source.

Looking further ahead, he said, it was clear that the city might not be able to finance all its needs when the present legislation expires in the middle of next year.

Several companies, including Lockheed Aircraft, are facing decisions on how to cope with threatened public disclosure of fuller details concerning questionable or illegal payments which they may have made.

Carter defends policies against liberal critics

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, May 17.

PRESIDENT CARTER flew to California today to defend his economic and social policies which his liberal critics have been criticising as being too conservative.

In addressing the convention of the United Automobile Workers Union (UAW), traditionally the most liberal in the labour movement, the President delivered a campaign-style speech—but he did not budge an inch from his commitment to balance the budget by 1981.

This goal, he said, would be achieved "in a strong and healthy economy, with the revenues that such an economy produces. It is not legitimate spending on human needs that causes our deficit—it is principally the inadequate revenues of a sluggish economy that create them."

But he went on "even with adequate revenues we will have to make some hard choices on how we spend the taxpayer's money. We can't afford to do everything."

It is sentiments such as these President Carter did promise to which have prompted men like Senator George McGovern, the "early next year."

SEC payments concern

BY STEWART FLEMING NEW YORK, May 17.

CONCERN about the impact of the report has been prepared by a special review committee of independent Lockheed directors under the terms of a consent decree with the SEC.

The question of the extent of disclosure of Lockheed's payments is a particularly sensitive issue because of the high rank of Government officials overseas who may be implicated in a company's questionable payments.

Non-oil countries' debt growth slows

By Hugh O'Shaughnessy

THE DISBURSED foreign debt of the 18 non-oil exporting countries of Latin America rose 17 per cent last year to \$70bn., according to estimates by the UN Economic Commission for Latin America (ECLA).

The growth in this debt was slower than in 1974 and 1975 when the rate of increase was 35 per cent and 29 per cent, respectively.

The commercial banks' share of the \$70bn. came to \$50.4bn., or about 72 per cent of the total. Banks' lending to the region grew at a slightly more rapid rate, 15 per cent last year, than the rate of lending from all sources.

The slowing down in the rate of the region's indebtedness, according to ECLA, was due to the improvement in the balance of payments of the non-oil exporters and the consequent reduction of their need for external finance.

ECLA estimates the foreign debt of the five biggest borrowers as: Brazil \$30bn., Mexico \$24.1bn., Argentina \$4.3bn., Peru \$4.5bn., and Colombia \$4bn.

Latin America's increasing recourse to commercial bank lending was partly explained by the region's limited access to soft loans from international institutions, according to ECLA.

Interest rates at around 2 per cent over LIBOR (London Interbank Offered Rate) were still high for borrowers, despite the fact that rates had dropped from the very high levels obtaining in 1974 and 1975.

Commenting on the debt figures, Sr. Enrique Iglesias, the Executive Secretary of ECLA, said: "Neither the ratio of the external debt to the total product nor the ratio of interest and amortisation payment to the value of exports have risen excessively in the last few years."

Sr. Iglesias also recalled that the growing indebtedness was largely due to efforts to maintain import levels and even build up stocks in the period 1973-75.

Peru Cabinet reshuffled

LIMA, May 17.

PRESIDENT Francisco Morales Bermudez has reshuffled his Cabinet, accepting the resignations of his Economy and Labour Ministers in an apparent attempt to overcome an economic crisis.

A Government spokesman said Sr. Luis Barua Castañeda will be replaced as Economics Minister by another civilian, U.S.-trained engineer and businessman, Sr. Walter Plaza Tangus.

The new Labour Minister is Air Force Lieutenant General Luis Ugarelli Valle, who succeeds Lieutenant General Luis Galindo Chapman. Both Ministers are under intense pressure to solve Peru's increasing balance of payments and labour problems.

CALIFORNIA'S TAX LAWS

Unburdening international business

BY ART GARCIA IN SAN FRANCISCO

CALIFORNIA, for good or bad, is the trend-setter for most U.S. states and nations in technological innovations at the same time as it spawns many of the cults and fringe movements that spread nationwide, sometimes around the world.

Coming under examination and questioning in the oft-delayed hearings, now tentatively set for late next month or early July, is California's "unitary" system of taxing international companies—foreign and domestic—doing business in the state.

Complaining loudest against the unitary tax are a number of foreign companies, especially British and Japanese, most particularly banks, plus a growing number of California-based international companies, joined by trade organisations. The state's Franchise Tax Board, on the other hand, argues that exclusion of such taxes from the U.S.-U.K. tax treaty would pave the way for yearly losses in tax revenues to California of as much as \$125m.

Suddenly caught in the middle of the expanding uproar is Edmund Brown Jr., California's 39-year-old governor now in the third year of his first four-year term. While the tone of the governor's administration has been tuned to preaching the politics of "limited expectations" about what government can and should do, he lately has been under increasing attack for neglecting to concern himself with the needs and problems of California's business community.

His recent visits to Japan and New York, for example, were intended to assure corporate executives there that his state's business environment will be permitted to deteriorate no farther. The trips were supported by distribution of inset buttons proclaiming "California means business."

Governor Brown put himself at the centre of that controversy in April by sending, at the urging of the Franchise Tax Board, a letter to Senate Foreign Relations Committee Chairman John Sparkman opposing Article 9 of the U.S.-U.K. tax treaty. Negotiated by the U.S. Departments of State and Treasury, the clause was designed to eliminate such extra-territorial taxes as California's

unitary levy. Treasury Secretary Michael Blumenthal earlier made clear to the Franchise Tax Board the ill-advisedness of retaining the California system, retaining the governor's chief cabinet officers has called the State's unitary system "a great for inequity" and California's Secretary of State has told business representatives of the California Franchise Tax Board, an independent agency which some claim applies the controversial unitary tax through policy, rather than legislative mandate.

Bruce Walker, chief counsel for the board, counters that in the 1950s the tax began with a statutory requirement which has been built upon over the years through a number of key court cases supporting the unitary concept. It grew, he adds, after World War II as U.S. companies began investing overseas and foreign firms set up operations in the U.S.

Mr. Brown's opposition has not held up the committee's hearings. A counsel for that body indicating it "simply has had other business that had priority." But in the remaining weeks before the sessions actually do get underway, the committee can expect to be barraged with requests from those wishing to testify on both sides. Among them will be re-

portedly by the state's combined reporting method for an exodus of an annual payroll of at least \$100m. from California.

Not only are foreign companies operating in California in arms over the unitary tax. In recent months, several large worldwide engineering firms with headquarters in California have pulled up stakes and relocated some of their operations in Texas and Nevada. They're escaping a Franchise Tax Board ruling that would apply the unitary tax to an outside company if its "enterprises" in California ever talk business.

Meanwhile, Oregon and several other states in the past year have latched onto California's unitary tax idea and begun similarly to apply it to domestic and foreign-based companies operating in those states. If California manages to make its unitary tax provision stick by persuading the Foreign Relations Committee to dump the proposed ban on such levels from the pending treaty, the idea can be expected to spread to still more states.

Don't agree. Look we apply this to all domestic companies too. These domestic companies pulled out of California because of the unitary tax? All the big companies are present in California. There's a huge market here, 12 to 13 per cent of the national economy. You put your manufacturing and handling plants where the market is," the chief counsel says.

But business and trade groups blame the state's combined reporting method for an exodus of an annual payroll of at least \$100m. from California. They fear companies will continue pulling out of the state and that the state's economy will slip back at California's unitary tax with retaliatory special taxes of their own. California may suffer steep revenue loss if the unitary tax were scrapped, they admit, but it wouldn't be any greater than the cost of jeopardising its status as a centre of world trade and finance.

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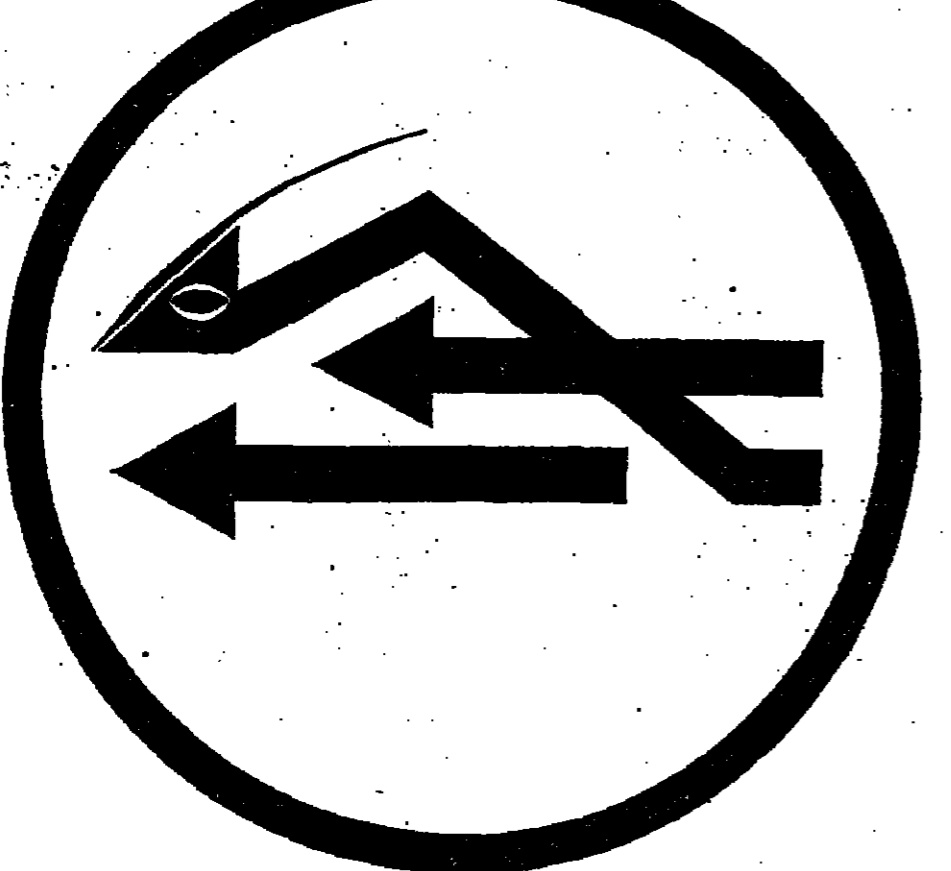
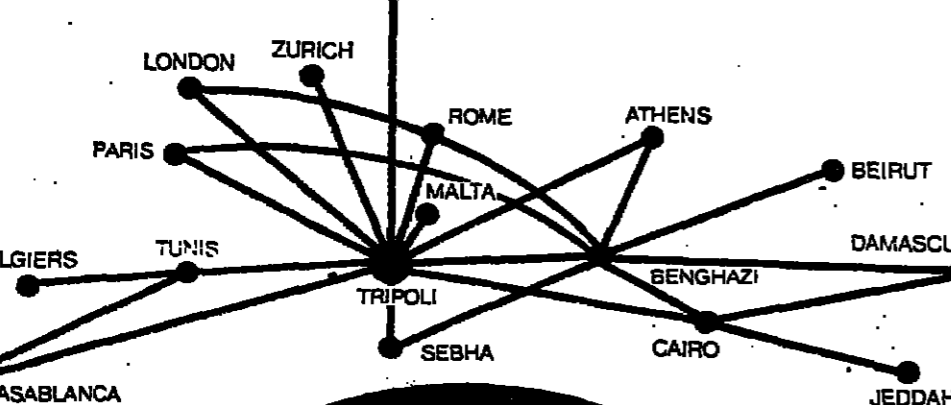
Libya 1 (the unique Libyan Arab Airlines Service to and from Libya) offers an important addition to its London-Libya service. There are now two extra flights each week, London-Rome-Benghazi with the option of getting on or off at Rome.

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Advertisement for International Bank for Reconstruction and Development, featuring a globe logo and text: 'INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, Washington, D. C., DM 100,000,000, Private Placement, 6% Bearer Bonds of 1977, due 1985. Deutsche Bank, Dresdner Bank.'

OVERSEAS NEWS

Japan and USSR reach fish agreement

By David Setzer

MOSCOW, May 17

JAPAN AND the Soviet Union today reached basic agreement on a new interim fishing accord which would permit the way for an end to the costly Soviet-Japanese fishing dispute which has threatened seriously to impair relations between the two countries.

U.K. team arrives in Zambia to begin Rhodesia soundings

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

MOSCOW, May 17

THE U.K.-U.S. initiative to find a negotiated settlement of the 12-year-old Rhodesian independence dispute entered a new phase yesterday with the arrival in Zambia of a British team led by Mr. John Graham.

James Buxton reports on the military difficulties faced by Ethiopia Old armaments to face a new threat

James Buxton reports on the military difficulties faced by Ethiopia

Old armaments to face a new threat

PRESIDENT SIAD BARRE of Somalia declared this week that his forces will go to war with Ethiopia if the Addis Ababa regime intervenes in Djibouti after the French territory becomes independent on June 27.

That should be sufficient warning to a country in Ethiopia's present state of military weakness.

But the ruling military council, or Derg, is understandably concerned about the future of Djibouti: its port handles more than two-thirds of Ethiopia's trade, but after independence the new republic will have a pro-Somali government.

No agreement has yet been reached on the future of the railway from Djibouti to Addis Ababa and Ethiopia is suspicious of Somali statements that it will not intervene in the territory unless Ethiopia does.

Two weeks ago the Ethiopian leader Colonel Mengistu Haile Mariam visited Moscow, in an attempt to secure military assistance for his battered Marxist regime.

The visit ended with no mention of military assistance, however, and the indications are that the Soviets are not prepared to supply Ethiopia with the equipment it needs to match Somalia's forces, while there is some doubt as to how firmly they are committed to helping Ethiopia end the secessionist war in the northern province of Eritrea.

Ethiopia's armed forces were built up under the Emperor



suggest that the equipment is all fairly elderly. This equipment would go only a small way to redressing the balance with the Somalis, who now have 23,000 men in their army, and it can have no more than a small effect on the situation in Eritrea. The Soviets do not want to jeopardise their ties with Somalia by giving Ethiopia the wherewithal to confront the Somalis over Djibouti, particularly as the Soviet navy and air force use valuable Somali facilities.

Namibia referendum

WINDHOEK, May 17

THE WHITE electors of South West Africa (Namibia) voted today on controversial plans for an interim government and independence—which are likely to be abandoned or heavily amended because of international opposition.

Peru Cabinet reshuffled

LIMA, May 17

PRESIDENT Fernando Belaúnde Terry today reshuffled his cabinet, appointing a new Minister of Finance and a new Minister of Agriculture.

Sri Lanka banks reprieve

COLOMBO, May 17

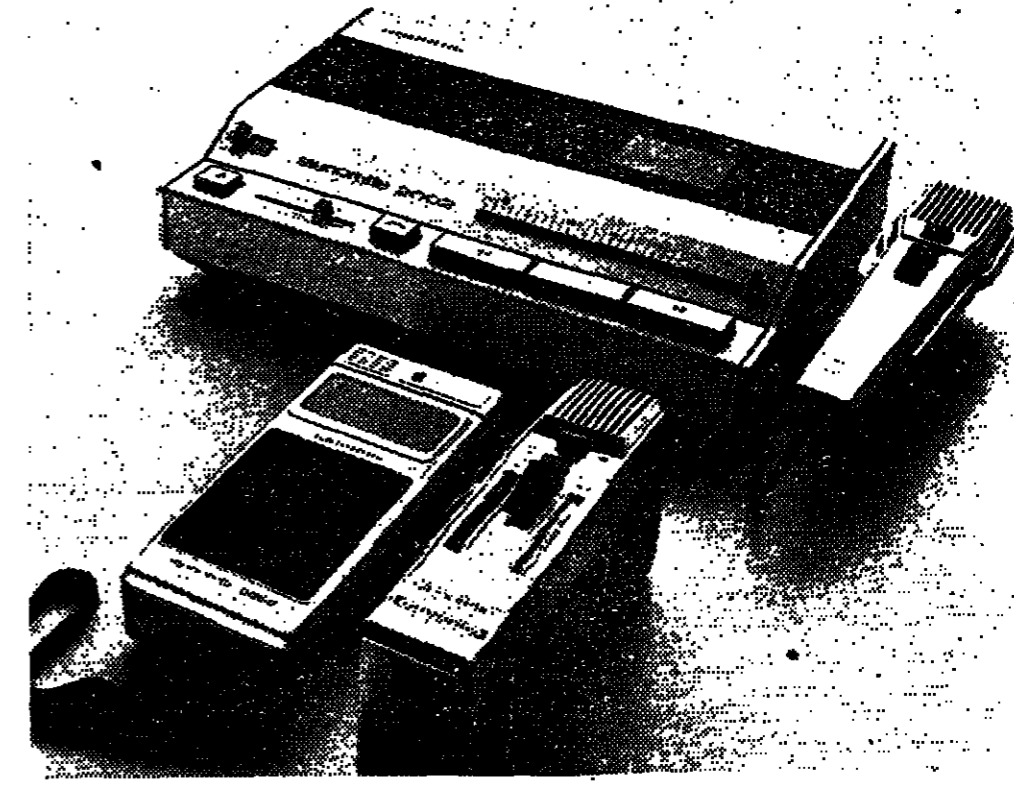
SRI LANKA Parliament is expected to be dissolved to allow the Prime Minister to prepare the way for a general election—a move which means that a Government of nationalisation will be dissolved.

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FTBA3

WORLD TRADE NEWS

W. German boom in trade with Mid-East continues

BY GUY HAWTIN

FRANKFURT, May 17.

WEST GERMANY'S visible trade with the Near and Middle East has grown almost five-fold in the past six years. In contrast, its trade with the rest of the world has only doubled in the same period.

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Airbus to consider Rolls-Royce engines

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ROLLS-ROYCE is expected to begin discussions soon with Airbus Industrie, the European consortium building the A-300 Airbus, on the possibility of that aircraft being offered to customers with RB-211 engines as an alternative to the existing General Electric CF-6 engines.

Europe may retaliate, GKN chief warns Japan

By Terry Dodsworth

MR. BARRIE HEATH, chairman of GKN, warned Japanese motor manufacturers yesterday that continuing protection in their home market might be answered in kind in Europe.

First dollar buyer credit is signed

BY MARGARET HUGHES

THE FIRST ever syndicated dollar buyer credit to be guaranteed by the Export Credits Guarantee Department was signed yesterday by Morgan Grenfell and Sheikh Rashid, the Emir of Dubai.

Coffee puts Brazil in surplus

BY DAVID WHITE

RIO DE JANEIRO, May 17.

BRAZIL'S MONTHLY trade balance went into the black last month for the first time since the 1973 oil crisis, according to official figures announced by Sr. Mario Henrique Simonsen, Finance Minister.

BRAZIL'S MONTHLY trade balance went into the black last month for the first time since the 1973 oil crisis, according to official figures announced by Sr. Mario Henrique Simonsen, Finance Minister.

Carpet exports up again

BRITAIN'S carpet industry volume—6.3m. sq. metres out of a total of 12.5m. sq. metres—again significantly increased its exports in the first three months of this year, with earnings rising more sharply than volume.

Liberian call for tanker safety checks

By Roy Rogers, Shipping Correspondent

In a bid to forestall the growing clamour in the U.S. for the introduction of stringent oil tanker safety measures, the Liberian Shipping Council has called for more frequent inspections of vessels registered under the Liberian flag.

Petrobras \$40m. credit

BY RAY DAFTER, ENERGY CORRESPONDENT

PETROBRAS, the Brazilian state oil corporation, has opened a \$40m. line of credit with Lloyds Bank International which could be used for an export boom.

EEC steel licence date

BY GERRY BUTCHER

THE DATE has now been set for implementation of the European Commission's plan to introduce surveillance licensing of iron and steel imports to the U.K. from non-EEC countries.



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Nigerian order for Kellogg

Pullman Kellogg of London has received an award from the Nigerian National Petroleum Corporation for the process design of a 21,000-barrel-per-stream-day fluid catalytic cracker, a refinery process unit used to upgrade heavy oils to high octane gasoline.

Generating plant

Hawker Siddeley Power Engineering has been awarded a £1.5m. contract by Ghaz Cement Industries of Tehran for the supply of a six megawatt generating station. The station will provide power for a cement plant 20 km from the town of Kermanshah in western Iran near the Iraq border.

Gibraltar deal

Simons of Lincoln has won a contract worth about £1.5m. for the maintenance and upkeep of service bases in Gibraltar. The work involved is on navy dockyards, RAF runways and army bases.

Road contract

The Military Government of Oyo State of Nigeria, through the Ministry of Works and Housing has awarded a contract valued at approximately £20m. for the reconstruction of the south west ring road and Lagos Road at Ibadan to Tiliby Contracting (Nigeria). The consulting engineers are Ove Arup and Partners, Ibadan.

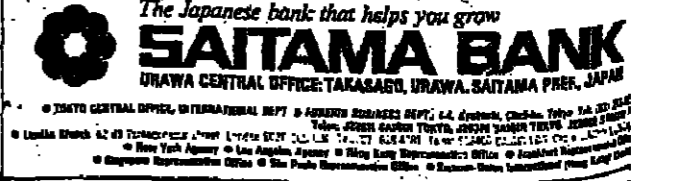
Plant for Philippines

An export order worth nearly £7m. the biggest single order ever received by Frederick Parkers, the Leister based quarry and builders manufacturing plant, has been awarded to the Philippines. During the next 12 months Parkers are to supply 84 mobile crushing and screening plants and asphalt producing units for important road works in the Philippines.

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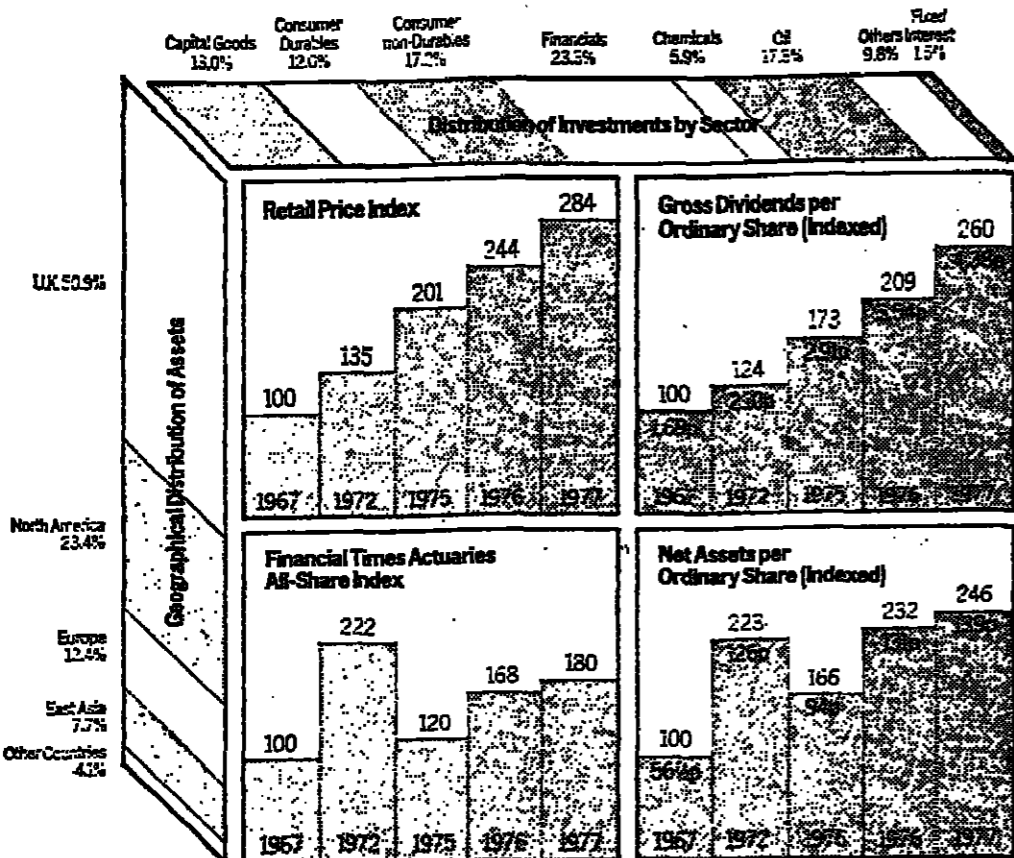
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Copies of the Report and Accounts can be obtained from Continental Union Trust Company Limited, Winchester House, 77 London Wall, London EC2N 1BH.

# High stakes in South America's Paraná River dam scheme

BY ROBERT LINDLEY, recently in Paraguay

ALMOST everything about the Paraná River, which rises on the plateau of central Brazil and flows into the River Plate estuary and then into the Atlantic Ocean, is extravagant. The name itself in the Guarani language means "mother of the sea." The 2,786-mile-long Paraná River is the backbone of the River Plate Basin, which if and when developed will be richer, it is said, than a dozen Rhinelands. The Itaipú hydro-electric project now being built by Paraguay and Brazil on the Paraná River will have the biggest potential of any in the world, more than twice that of the one at Churchill Falls in Canada and six times that of Egypt's Aswan.

But the extravagance of the Paraná River extends not only to the electric power it can generate but to the discussion it can generate as well. According to the São Paulo newspaper O Estado de São Paulo—probably the best in Brazil—the battle of the Paraná dams could determine the balance of power in South America. As of now the battle lines are drawn at Itaipú and at Corpus and Yacyretá, both farther down the Paraná between Paraguay and Argentina. The confrontation then is between Brazil and Argentina, with Paraguay allied to both these rival giants—and, according to some, playing one against the other.

The Paraguayans naturally resent it when told that in reality the Brazilians are building the Itaipú hydro-electric complex. The evidence of this, which is offered, is that Paraguay apparently has no



significant deposits of raw materials which would permit the complex to create an industrial boom in the country, that Paraguay already has too much electric energy for its own use and is selling the surplus to Brazil, and that Brazil has reserved the right to buy Paraguay's surplus energy from Itaipú ("resounding rock") at low prices indefinitely.

Enzo Debernardi, electrical engineer (University of Turin)



Paraguay's President, General Alfredo Stroessner, and a man showing the sites of the three proposed dams on the Paraná River.

The investment is calculated at more than \$6bn., but Itaipú is expected to cut Brazil's annual oil bill by possibly \$3bn. And it could make southern Brazil one of the world's great industrial regions. Inasmuch as the initial agreement to construct the Itaipú complex was signed just 11 years ago, by the Paraguayan and Brazilian foreign ministers, things indeed are moving rapidly, and not just by Latin American standards. The finished project will produce the added bonus of removing the long-standing, at times extremely serious border dispute between Paraguay and Brazil.

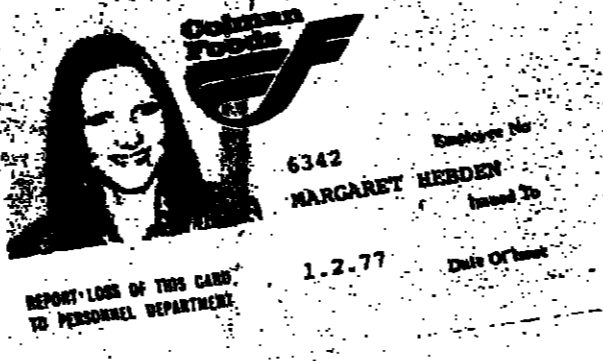
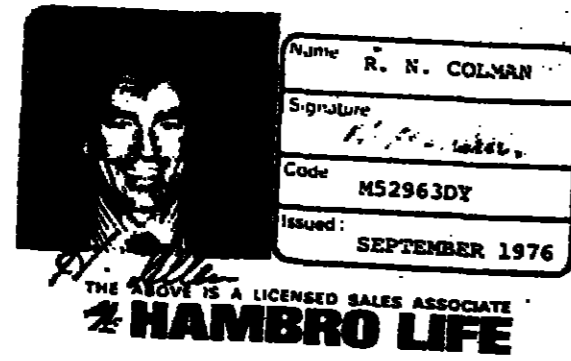
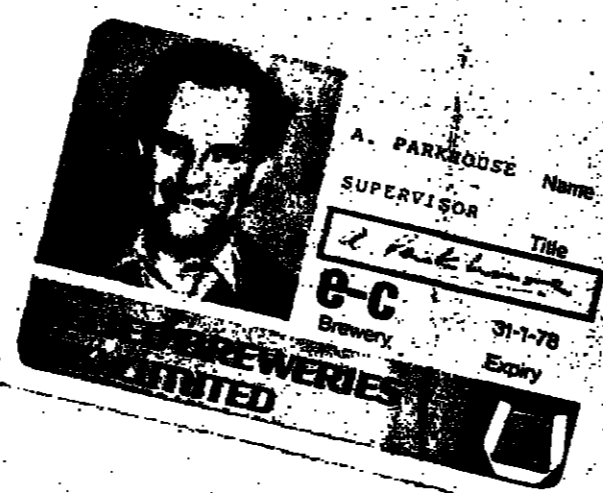
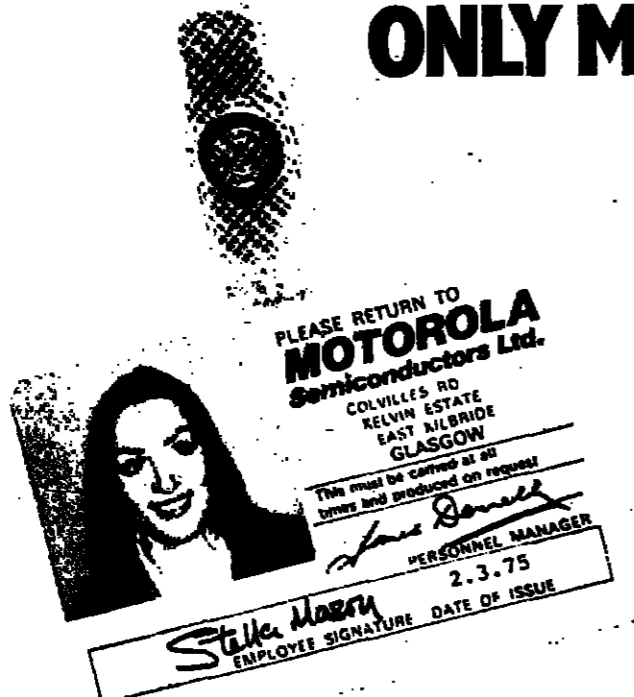
The project at Corpus, not quite halfway up the Paraná River towards Itaipú from Yacyretá, was no more than a study until last month when Paraguay's president, Gen. Alfredo Stroessner, and Argentina's president, Gen. Jorge Rafael Videla, met in Asunción and agreed that "Corpus will be built." But the conditions and the specifications still have not been sorted out, and there is considerable doubt that the Corpus complex ever will become reality.

The reason for the uncertainty is that Argentina and Brazil disagree on how high above sea level the Corpus dam should rise. The Brazilians contend that a dam at Corpus higher than 93.4 metres above sea level would create "serious risks" of flooding Brazilian territory and moreover would reduce the potential of the Itaipú complex. The Argentines contend that so low a dam at Corpus has not even been contemplated by the Argentines and Paraguayans because with this handicap the project could generate hardly more than 2m kilowatts. With a dam 111 metres above sea level at Corpus, the potential of the complex would be 5m kilowatts, with one 120 metres above sea level, 6.8m kilowatts.

With an adequate dam, one of the Argentine planners has said, "the proficiency of Corpus would be one of the most profitable in the world. The opposition of Brazil to the construction of a suitable dam would mean the prejudicing of regional development, particularly Argentine and Paraguayan development."

The Argentines maintain that all three complexes—Itaipú, Yacyretá and Corpus—are perfectly compatible and have posed a tripartite meeting, with Paraguay and Brazil to agree on co-ordinating the project. Initially Gen. Stroessner has accepted the Argentine proposal but Brazil is holding back. The Argentines say that no flood of arable Brazilian lands would be caused by a "suitable" dam. The plans at Corpus and that at Yacyretá, however, have been easily completed, and with any luck, the dam might produce. There is possibly next year. The complex at Yacyretá, a Paraguayan full-scale tug-of-war with Paraguay pulling on the side of the dam, is scheduled to produce 12,600 kilowatts.

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## A FINANCIAL TIMES SURVEY BRITISH ENGINEERING

JUNE 14 1977

The Financial Times is preparing to publish a survey on British Engineering in its edition of June 14. The main headings of the proposed editorial coverage are set out below.

- Introduction** The importance of the engineering industry in the U.K.—its contribution to exports and employment.
- What is the engineering industry?** Facts and figures on the main sectors. (Note: this survey will concentrate primarily on mechanical and electrical engineering—Orders VII and IX in the Standard Industrial Classification—and will not deal in detail with instrument engineering or with motor vehicles, aircraft and shipbuilding.)
- The structure and organisation of the industry.** A wide variety of large and small companies—changes in structure through mergers.
- The engineering industry in world trade.** The high degree of interdependence in engineering products among the industrial countries—the export performance of the British industry.
- Financial performance.** An analysis of trends in profitability and investment.
- Industrial relations and productivity.**
- The competition.** A look at the engineering industries in the main competing countries, including the U.S., West Germany and Japan.
- Success in engineering.** A combination of design, efficiency in production and marketing skill—some examples of successful products and why they have been successful.
- Engineering design.** A crucial element in the industry—the organisation of the design function within an engineering company.
- The status of engineers.** Is it too low and if so what should be done? Relations between the industry and universities—the training of engineers.
- The role of the professional engineering institutions.**
- The role of the engineering trade associations.** The case for a single body to represent the engineering industry.
- The role of the Government.** Examples of intervention over the past fifteen years—the place of the engineering industry in the present Government's industrial strategy.
- Foreign investment.** The importance of foreign investors, especially American, in expanding parts of the engineering industry.

- The themes discussed in the opening article will be developed in more detail in relation to these main sectors of the industry:
- Agriculture machinery
  - Machine Tools
  - Pumps, valves and compressors
  - Textile machinery
  - Construction equipment
  - Mechanical handling equipment
  - Office machinery
  - Mining machinery
  - Printing machinery
  - Food processing machinery
  - Packaging and bottling machinery
  - Ball and roller bearings
  - Boilers
  - Process plant engineering contractors
  - Steelwork plants
  - Electrical power machinery
  - Cables
  - Domestic appliances
  - Radio and TV sets

The proposed publication date is June 14 1977. Copy date is June 4. For full details of the advertising rates contact David Baker, on 01-248 8000, extension 232, Financial Times, Bracken House, 10, Cannon Street, London EC4P 4BY. Telex: 885033.

### FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The content and subscription rates of surveys in the Financial Times are subject to change at the discretion of the Editor.

10/10/1977

HOME NEWS

Co-op sales reach £1.27bn., pre-tax profits at £17.3m.

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

SALES OF THE Co-operative food production facilities, while another £25m. will go towards improving the division's retail operations in Scotland. Last year the food division, which accounts for the largest part of the CWS's trading, showed the best growth—sales were up 18.5 per cent at £945.7m. According to Mr. Sugden this reflected a real increase in volume as well as the effects of inflation on turnover.

Sales rise

He described the food division's profits of £17.3m. as "satisfactory" although profits on milk fell from more than £1m. in 1976 to £224,000. The non-food division did less well. Sales were up 9.3 per cent at £214m. but profits fell from £2.1m. in 1976 to £216,000. Losses in clothing and footwear

increased last year as consumers spent less in these areas. Mr. Sugden said that the clothing and footwear business, which accounted for slightly more than 3 per cent of CWS's turnover last year, cost the movement "a lot of money". This had been partly offset by the improved performance of other aspects of the Co-op's non-food business such as funerals and exports. But for the Government's temporary employment subsidy, from its stores said several of the CWS's footwear and clothing factories would have had to lay workers off. There was an increasing urgency in some cases—for all but that by October the situation these concerned in the economy would have returned to normal.

Six-monthly pension review urged

A SIX-MONTHLY review of incomes could not afford a pensions was urged yesterday by Miss Betty Millard, president of the National Federation of Old Age Pensions Associations at its annual conference at Margate. She also called for a pension increase of one-third of the gross average wage for a single person and one-half for a married couple. Miss Millard told 1,000 delegates representing 25m. pensioners that old folk on fixed of EEC commitments.

Beer price freeze expected in summer

BY KENNETH GOODING

IS ALMOST certain that the Government will freeze beer prices later this summer, said Neil Kerr, brewing industry adviser at stockbrokers de Zoete & Bevan, yesterday. The only questions were whether the freeze would be for three months or a year and whether it would be based on the wholesale price or the retail price. Mr. Kerr, speaking at a seminar in London organised by the firm, suggested the Government would use in justification of the "missions" in public houses, due to be completed at the end of the year. This was bound to show anomalies in the margins of profit obtained for various products and might reveal inefficiencies in retailing. The Government would seize on these points to make political capital because beer prices played a more significant part in many people's lives than would be suggested by the fact that they account for only 4.5 per cent of the retail price index. Mr. David Bruce, managing director of L&D Leisure and Recreation, talking from the point of view of the licensee, pointed out that the Price Commission will discover all sorts of grey areas during its investigation. "An overall fair assessment of the situation from both the customers' and the licensee's point of view is going to be very difficult, and the policing of any controls that are subsequently applied could be a nightmare," he added.

Hattersley: No subsidies to save newspapers

ROY HATTERSLEY, the Secretary, ruled out Government subsidies for newspapers yesterday. It would be "unfair" to expect newspapers to be propped up when they failed commercially, he said. Speaking at the annual lunch of the Evening News Advertising Bureau, he said he had no hint as to how the future of the two evening papers. He said the future was still undecided "a whole variety of abilities" was being canvassed.

Grocery code numbering plan has new setback

OUR CONSUMER AFFAIRS CORRESPONDENT TIME-TABLE for introducing a system of numbering grocery products with a code which can be read by computers throughout the industry had an setback yesterday. It was announced that the setting up of I.K. Article Number Bank will be postponed for nine months. The original target date for the bank, which will administer the allocation of computer numbers to British food and grocery products, was last month. The British and Euro-systems, it has been decided to postpone the opening until the end of the year. The postponement is the latest in a long series of delays which have hampered the introduction of the system's supporters believe that it will prove a considerable benefit to both retailers and manufacturers. It will make product ordering and inventory control easier as well as enabling companies to check their sales more accurately. A pile of research showing advantages, there has been a reluctance on behalf of manufacturers, who will have to fit the computers bar code on their products, to take the initiative. At the beginning of this year, the U.K. Article Number Association, an organisation of grocery retailers and manufacturers, said that a British

Chemists fear more closures

FEARS THAT the number of chemists' shops closing every year may increase were expressed yesterday by the Pharmaceutical Services Negotiating Committee. The committee files with the Department of Health the financial arrangements for handling NHS prescriptions and has recently asked for a higher rate of return for capital employed in stocks, fixtures and fittings, rent, rates and salaries. This was fixed in the early 1970s at 16 per cent. The Department, however, has said that, because chemists have reduced stock levels from all weeks to about once a month, it intended to reduce the overall amount it paid and to backdate the reduction to 1975. The chemists claim that this would mean losing £11m. in 1975 and 1976, with a further loss this year of £5m.

Protest at M-way dinner

IAN HARGREAVES, TRANSPORT CORRESPONDENT EN in charge of Britain's construction industry for the past ten years at a demonstration of mentalists last night gathered to celebrate the 10th anniversary of the Government's first regional road construction unit. The Earth organised itself, which involved hand-picked guests as guests arrived at the dinner. The protesters told their policies of the destruction of a year in defiance of the Government's opinion. Mr. Hamer, organiser of the demonstration, said "reform road construction units" were overdue. Their brief included alternative ways of solving transport problems such as traffic restraint, different transport systems and long-term changes in the pattern of land use. But in Birmingham Mr. Ken Cure, a district official of the Amalgamated Union of Engineering Workers, warned that the Government should resist the tide of pro-rail propaganda which had preceded publication of the Transport White Paper. Further restraint of the motor car and lorry comprised a threat to nearly 3m. jobs and would have a very damaging effect on the Midlands. "We will not tolerate a continued 'rampdown' in the motor car and lorry sectors to save jobs elsewhere or because it fits in with a planner's dream of how we all ought to live."

Fisons raises fertiliser prices by 6%

By Kevin Done, Chemicals Correspondent

FIONS is raising the prices of its fertilisers by an average of 6 per cent. The increases will become effective for compounds from June 1 and for straight nitrogen from July 1. They coincide with price rises averaging 7 per cent, recently announced by ICI, with whom Fisons has a long-term contract for buying ammonia. Fisons says that the increases result from substantial rises in production and certain raw material costs, notably those of nitrogen plant food. It last made its fertiliser dealer in January, and Mr. John Kerridge, chairman of the fertiliser division, said that further price rises this year could not be ruled out. He took yesterday's announcement as an opportunity to raise again the subject of ICI's long-term, low-cost energy contract with British Gas, which has caused considerable price differentials in the cost of ammonia to ICI and other manufacturers. He said: "There is undoubtedly a disparity in these prices which is creating severe competitive distortion and which requires urgent correction. Most U.K. fertiliser manufacturers' profit margins, including Fisons, have been adversely affected by this price distortion. These latest price increases in no way correct this."

Machine tool trade worried by Leyland

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

AN INDICATION of the impact on the machine tool industry of delays in British Leyland's investment programme was given yesterday by Mr. George Trowbridge, retiring chairman of the Machine Tool Trades Association. After discussions with British Leyland, the industry had not produced the trade exhibitors hoped for. Mr. Trowbridge pointed out that the MTTA was still committed to a policy of encouraging import and export trade in machine tools. The important point was to ensure, as had been the case for nine consecutive years, that there was a positive trade balance. With exports for 1976 at £200.3m. (1975: £185.3m.) and imports worth £189.6m. (£177.8m.), the favourable trade balance was £12.7m. (£17.5m.).

Reduced oil stocks will cut imports

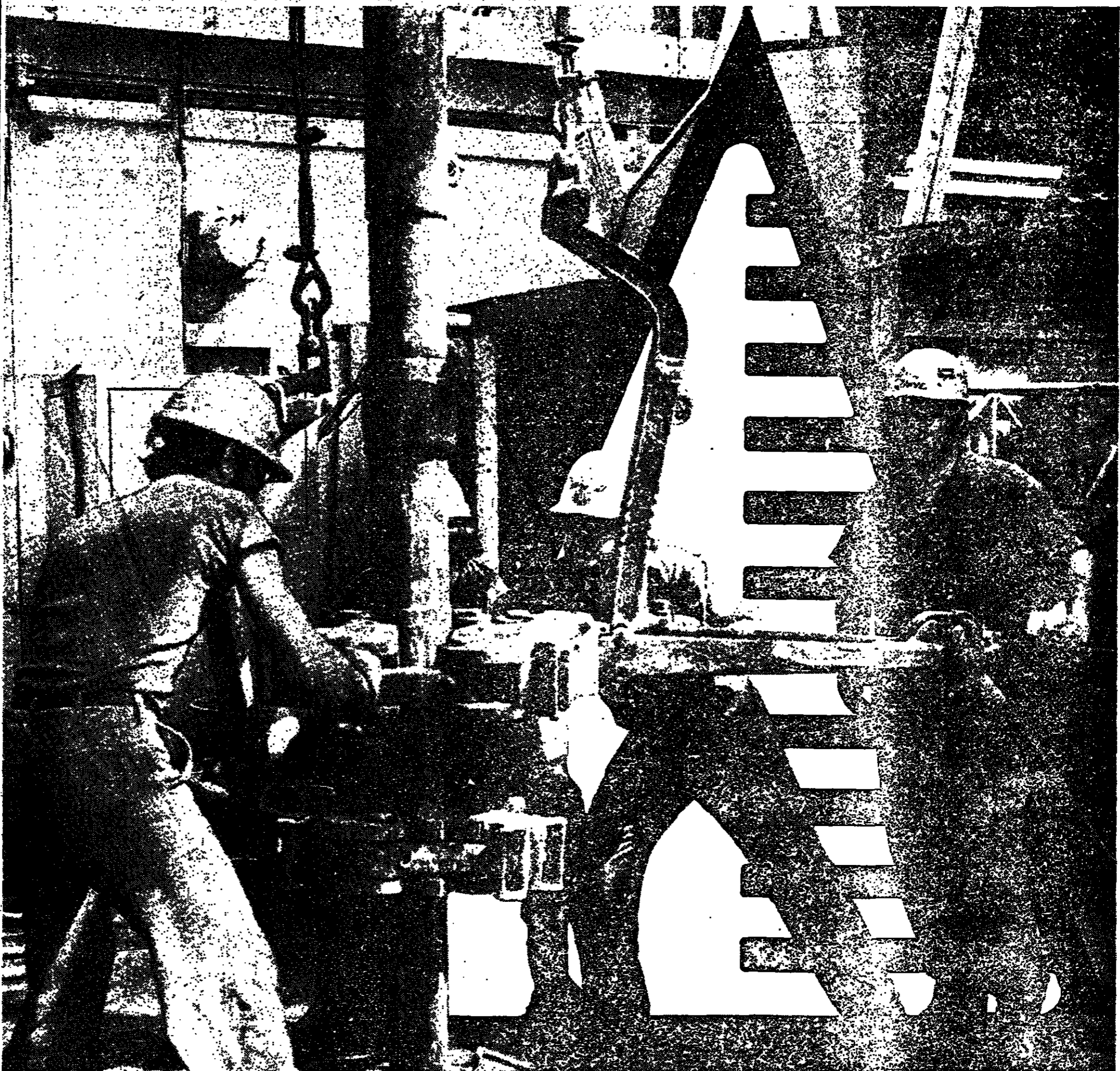
By Ray Dafter, Energy Correspondent

OIL COMPANIES are being told they can reduce the level of stocks—a move which could give a once-and-for-all balance of payments boost of over £100m. in the next few months. The Government is to issue new directions to reduce the stocking requirement for U.K. refining companies from the equivalent of 53 days' consumption to 75 days. It is not known how companies will adjust their stock levels, but if they reduce them by the equivalent of 10 days' consumption they could cut the amount of oil imports by as much as 2m. tonnes over the next few months. This amount of crude oil is worth about £120m. Oil imports last month totalled £257m. although with the increasing flow of North Sea crude they are decreasing significantly. The value of oil imports in the first quarter was £12m. whereas the amount for the whole of 1976 was £3.12bn. It is the increasing volume of North Sea production that has led to the revised stocking levels. Under an international agreement, the U.K. is allowed to carry lower stocks because of the security provided by indigenous production.

£13m. for Ulster industry

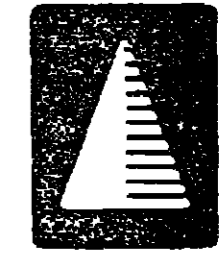
BY OUR BELFAST CORRESPONDENT

A £13m. PACKAGE of measures to relieve Ulster's unemployment was announced yesterday by the Northern Ireland Office. It will include an extension of Enterprise Ulster, the temporary employment subsidy until next March, which affects 17,000 workers. The scheme, designed to last for two years, is expected to improve job prospects in manufacturing industry, help school-leavers find work and safeguard 400 jobs in the Government's direct labour scheme called Enterprise Ulster. The package, introduced by Mr. Don Connaughton, Ulster Minister of State responsible for industry, includes a new small-firms employment allowance for 24 months from July 1.



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APPOINTMENTS

Livingston Development Corporation

LIVINGSTON, WEST LOTHIAN EH54 7AD

Chief Executive

Applications are invited for appointment to the post of Chief Executive of the Livingston Development Corporation in the latter part of this year.

Livingston, which is fourteen miles west of Edinburgh was designated in 1962 with a target population of 70,000 and also to be a focal point of a Sub Region of 200-250,000 people.

The post is very demanding in thought, time and energy. It calls for a keen interest in the physical planning of the town, in the attraction of industry, commerce, and job opportunities generally and a readiness to take an active part in the continuing development of a lively and caring community.

Professional Officers are responsible departmentally for each aspect of the Development Corporation's activities. The Chief Executive needs to have had a high level of administrative experience and to be accustomed to leading and co-ordinating the work of Senior Officers or Managers.

Close liaison with Lothian Regional Council and West Lothian District Council is an essential aspect of the job. The salary is in the range of £11,180-£13,460.

Applicants are asked to write, in confidence (please mark envelope 'Chief Executive') sending full details to: Desmond Misselbrook, Chairman, Livingston Development Corporation, from whom further information can also be obtained. Applications to be returned not later than Friday June 10th 1977.

COMPANY NOTICES

GERMAN GOVERNMENT INTERNATIONAL 5 1/2% LOAN 1930 (YOUNG LOAN) CONVERSION BONDS

The Trustee has informed the Bank of England that it is necessary to adjust the amount payable in respect of the coupons and bonds due on or after the 1st December 1977 in accordance with the provisions of the London Agreement on German External Debts of the 27th February 1953 [Annex 1, Paragraph 2(e)].

The Trustee has advised the Bank of England that the question of the application of the exchange guarantee in the case of the revaluations of the Deutsche Mark of March 1961 and October 1969 and of subsequent currency adjustments remains unsettled. The rights of the bondholders with regard to this matter, therefore, remain reserved, irrespective of whether the coupons maturing on or after the 1st June 1961 are presented for payment or not, and collections agents should retain details of the holders of Conversion Bonds on whose behalf coupons are lodged.

Conversion Bonds: Coupon £1.10, £1.10, £1.10. Note: Collections Agents should retain details of the holders of Conversion Bonds on whose behalf coupons are lodged.

INTERNATIONAL UTILITIES OVERSEAS CAPITAL CORPORATION. Copies of the Financial Statements to 31st December 1976... SOCIETE DE DEVELOPPEMENT REGIONAL (S.D.R.) 8% 1971/1986 UA 12,000,000

Notice to holders of £25 12,000,000 8 1/2% 1966-1986 bonds issued by EUROPEAN COAL AND STEEL COMMUNITY

The Commission of the European Communities informs the holders of the above mentioned issue that a drawing for a nominal amount of £2523,000 took place on May 13th 1977 in the presence of a Notary Public.

The following numbers have been drawn: 2,311 to 2,312 inclusive: 2,313 to 2,314 inclusive: 2,315 to 2,316 inclusive...

117 INTERNATIONAL GROWTH FUNDS S.A. Société anonyme 37, rue Notre-Dame, Luxembourg R.C. Luxembourg B 10,452

1. Kreditbank S.A. Luxembourg 37, rue Notre-Dame Luxembourg 2. Midland Bank Limited Overseas Branch 60, Gracechurch Street London EC3P 3RN

BOND DRAWINGS

MOBIL OIL HOLDINGS S.A. 5 1/2% Sterling/Deutsche Mark Guaranteed Bonds 1980. S. G. WARBURG & CO. LTD. announces that the redemption instalment of £1,000,000 due 15th June 1977 has been met by purchase in the market to the nominal value of £1,177,900 and by a drawing of Bonds to the nominal value of £82,100.

Table of bond drawings with columns for bond numbers and amounts. Includes sections for £2000 Bonds and £100 Bonds.

On 15th June, 1977, there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:- S. G. WARBURG & CO. LTD., 30, Gresham Street, London, EC2P 3ER.

APPOINTMENTS. COMMERCIAL APPOINTMENTS LTD. 17, Graham Street, London, EC1P 1AJ. 01-439 1701.

HOME NEWS

Industrial output rising slowly

THE LEVEL of industrial activity is picking-up, though the rate of increase remains slow, writes Peter Riddell. The Central Statistical Office said yesterday that the industrial production index rose by nearly 1 per cent in the first quarter of this year, compared with the previous three months.

INDUSTRIAL PRODUCTION 1970=100. Seasonally adjusted. Table showing quarterly and annual production indices for various sectors like Manufacturing, Mining, and Quarrying.

Howell to see tobacco companies

By Stuart Alexander. THE Minister for Sport is to hold a meeting with the tobacco industry to discuss difficulties which have arisen in forming a voluntary code on sports sponsorship.

Response to clothing aid plan still slow

BY RHYS DAVID, TEXTILES CORRESPONDENT. THE CLOTHING industry is still responding slowly to the industry aid scheme drawn up for it by the Government.

Request for more research projects

By David Fishlock, Science Editor. A PLEA to 'industry to forward more proposals for jointly-funded research projects was made by the Department of Industry in a report published yesterday.

Publicity

At that point sport could suffer because sponsors may feel that without some form of publicity returns their support will not be worth the effort.

Self-employed meet Howe-to-day

By James McDonald. MORE THAN 1,000 members of the National Federation of Self-Employed are expected to attend a meeting at the Central Hall, Westminster, to-day.

TUC to discuss textiles with Varley and Dell

BY OUR TEXTILES CORRESPONDENT. THE TUC's Textiles, Clothing and Footwear Committee will guard against cumulative disruption caused by an increase of duties on textiles.

Preference in computer purchasing 'should stay'

BY CHRISTOPHER DUNN. THE importance of preferential Government procurement to large and medium-size manufacturing companies has been emphasized in a statement issued by the National Economic Development Office's electronic computer sector working party.

Technology

It stressed that, in engineering especially, the need was for wider use of existing technology rather than new technology.

Commission refused 11 price rises

Financial Times Reporter. THE PRICE COMMISSION rejected 11 applications for higher prices in April and issued two distributors to cut price cuts totalling £30.1m.

CBI seeks long-term pay policy

BY JOHN ELLIOTT, INDUSTRIAL EDITOR. A CALL to the Government and trade union leaders to join the Confederation of British Industry in developing a long-term policy on pay determination was issued last night by Lord Watkinson, CBI president.

HOME NEWS

£7m. expansion proposed for Aveling-Barford

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

BRITISH Leyland's Special Products division is planning a £7m. expansion project for Aveling-Barford, its biggest construction equipment manufacturing subsidiary.

Aveling-Barford International expects to boost sales by 40 per cent to £20m. this year, excluding £10m. of sales from overseas-based offshoots.

Windscale inquiry rules laid down

BY OUR CUMBRIA CORRESPONDENT

ARRANGEMENTS have been heard by an audience which completed the public inquiry into expansion of oxide-fuel reprocessing facilities at Windscale, West Cumbria.

The inquiry will be unique in a number of ways, which were outlined yesterday in Whitehaven to a preliminary meeting presided over by Mr. Justice Parker, inspector appointed to the inquiry.

In the first place, the inquiry will accept submissions of evidence that go beyond the local implications of the planning application, although Mr. Justice Parker has indicated that matters concerning national security cannot be discussed.

Isle of Man Budget cuts petrol and income-tax

BY OUR DOUGLAS CORRESPONDENT

AN IMMEDIATE reduction in the price of petrol, increased personal allowances, and a standard rate of income tax which is held at 21.25 per cent, are the main features of the Budget speech presented by Mr. Percy Radcliffe, the new chairman of the Isle of Man Finance Board.

Normally, under the "common area" agreement with the Government has to follow the K. when altering Value Added Tax or other duties, but after discussions with the U.K. Government and by raising a rebate, the price of petrol and heavy oils will be reduced immediately by 10 per gallon instead of waiting until August 5, when the extra 5p on petrol is withdrawn in the K.

Mr. Radcliffe said the emphasis in his Budget was placed on maintaining a low and stable rate of income tax.

Personal allowance for a married couple is to be increased from £1,040 to £1,145 and for a single person from £660 to £725. An additional personal allowance for the first £24,400 of a wife's earnings allowance Mr. Justice Stocker in the Queen's Bench Divisional Court, indicated that their judgment might not be given until after the court's Whitsun vacation.

The court has still to give its reasons for refusing the Singapore Government leave to move for an order quashing the Chief Magistrate's refusal to order the extradition of financier Mr. Jim Slater on four charges concerning him in 1977 to 1978 is estimated at £500,000.

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Botanists seek 'super veg'

BY STUART ALEXANDER

CARROTS AS big as sugar beet and crisp celery sticks five feet long are possible within the next 50 years, says Dr. Magnus Pyke, secretary of the British Association for the Advancement of Science.

Writing in the 50th anniversary issue of Food Manufacture magazine, he says that botanists working on the magnification of plant strains, as they have done with wheat and rice, could produce these results.

They would form a part of a natural, technological and economic chain which will increase food requirements of the future and, consequently, manufacturing abilities to cope with them.

On changing consumer attitudes Dr. Pyke adds: "In spite of the public clamour about nutrition the food industry is, like others, in the entertainment business."

With fashion as it is on nourishment or, when speaking of garments on their ability to resist the climate.

Vegetables, the industry would also need new technology in the form of both packaging and developing artificially constructed alternatives, such as reformed steak and processed cheese.

However, the most telling factor would be the economic one, says Dr. Pyke, with a poorer Britain eating more cereal and less animal foods.

Early pay review call for doctors

Financial Times Reporter

THE PRIME MINISTER has told doctors that he hopes the seventh report of the review body on doctors' and dentists' pay will be published "very soon."

In a letter to the British Medical Association, he said he very much regretted the anxiety caused in the profession following publication earlier this month in the magazine Pulse of a report that included details of part of the settlement which it said had been sent out by mistake.

That settlement was exactly in line with Phase Two of the pay policy and the BMA asked that the report should be published immediately.

APPOINTMENTS

Sir Ian McLennan to chair ANZ Group Holdings

Sir Ian McLennan will become chairman of ANZ GROUP HOLDINGS and Australia and New Zealand Banking Group from October 1, as already fore-shadowed, Mr. Angus Mackinnon will step down as chairman of both companies from September 30, but will remain on their Boards.

Mr. Brian Watson Hughes retires to-day from the chairmanship of the CHARENTE STEAMSHIP COMPANY and is succeeded by Sir Thomas Pilkington. Mr. Watson Hughes will remain a member of the company's Board of directors.

Mr. C. R. Collyer has been appointed chairman of SAGUENAY SHIPPING (U.K.), while continuing as managing director. Mr. George Russell and Mr. J. S. Bridgeman have been made directors.

Mr. F. C. G. Foot, at present divisional director of the lighting division of PHILIPS INDUSTRIES, will become divisional director of the video division on January 1. In the interim period, following Mr. M. J. Foster's departure, Mr. J. P. van Doogen Torsman, director of the central merchandising management department, will also head the video division. Mr. J. D. Dunley continues as director of the audio division. Mr. I. H. Cohen, now director of communications and general industrial division of Mullard, will succeed Mr. Foot as divisional director, lighting, on January 1.

Mr. John Swanborough has been elected executive chairman of HOWARD TENNENS SERVICES and Mr. Dennis Barrett has been appointed group managing director. Mr. Swanborough was previously acting managing director and Mr. Barrett was formerly deputy managing director. Mr. Piers Barford, who has served as non-executive chairman since 1975, has relinquished the chair but remains a director.

Mr. Clifford Smith has been appointed a managing director, and Mr. Peter Hangerman a director, of BANK JULIUS BAER INTERNATIONAL.

Mr. William Devlin has been appointed managing director of JOHN KELLY from June 1 in succession to Mr. John K. Wilson, who remains a member of the Board and has been appointed consultant to the company.

Mr. William Johnston, who last year resigned as chief executive of County Bank, has joined the Board of FERGUSON SECURITIES and its wholly-owned subsidiary, Birmingham and Midland Counties Trust. He has also been appointed a director of two public companies controlled by the Ferguson Securities Group, William Reed and Sons and Habit Precision Engineering. Mr. Johnston also takes over as managing director of Birmingham and Midland Counties Securities, which is also a subsidiary of Ferguson Securities.

Mr. Patrick Casey has been appointed managing director of the WYSEPLANT GROUP.

Mr. John M. Hirst has been appointed deputy managing director of MODERN AERIALS, part of the Rascal Electronics Group. He has been director-in-charge of the company for the past two years.

Mr. Donald Anderson, director and general manager of United Newspapers, has been elected chairman of the EVENING NEWS-PAPER ADVERTISING BUREAU, which promotes advertising in regional evening newspapers.

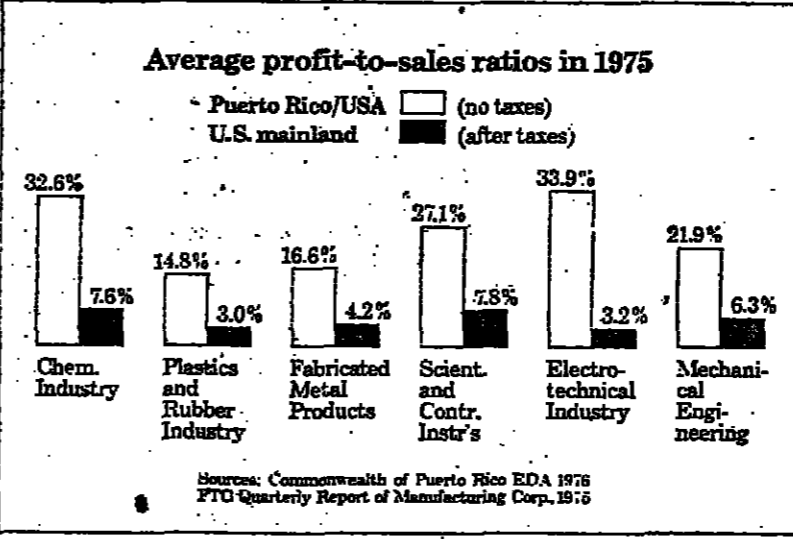
Mr. Richard Opperman has joined the Board of SEVER PEACOCK AND CO. as commercial director.

Mr. R. Patchett has been appointed personnel director of the transmission division of NEWAGE ENGINEERS, a Charterhouse Group company.

Mr. Jeffrey G. J. Chittenden has been named resident vice-president by CITIBANK N.A. Mr. Chittenden heads the bank's U.K. systems and planning division.

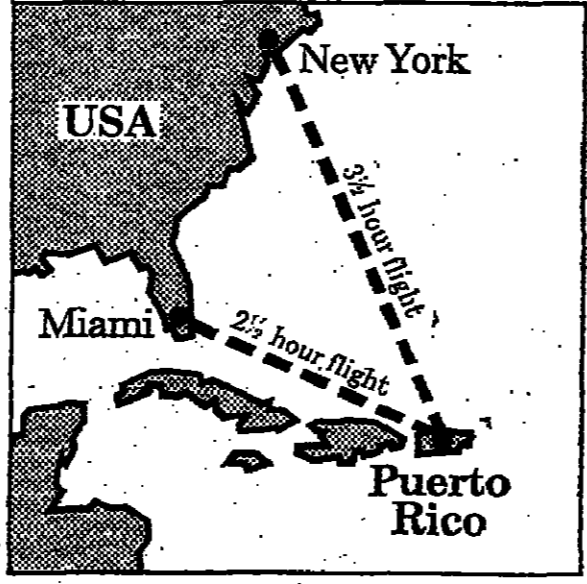
The appointment of Mr. I. Britz as a part-time member of the LONDON ELECTRICITY BOARD has been extended to January 22, 1980, and will not expire on December 31, 1977, as previously announced.

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personnel costs averaging two-thirds the level on the mainland, the productivity is higher.

Training of labour, ready-to-occupy plants. To enable you to start production on schedule, the government helps you to recruit and train your future employees. In many cases the government even bears all the costs of training. Puerto Rico/USA is no backwater, but a highly developed industrial land. Ready-to-occupy, factory buildings are available. Rents start as low as U.S. \$ 0.75 per square foot per year.

Modern infrastructure. Puerto Rico has an excellent network of more than 6000 miles of roads. A new motorway connects the north and south coasts. There are 1000 flights weekly between Puerto Rico and the U.S. mainland. A modern harbour for container ships is open for traffic in San Juan. Near the harbour of Mayaguez is the first duty-free foreign trade zone to be established by the U.S. government outside the U.S. mainland. It provides these additional incentives: 1. Duty-free entry of foreign raw materials. 2. No U.S. duties on products to be exported to other countries.

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What is being produced in Puerto Rico/USA? Here is a selection:

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To: Commonwealth of Puerto Rico Economic, Development Administration Dept. FT2, Zürich-Haus-Pavillon Am Opernplatz, D 6000 Frankfurt/Main Federal Republic of Germany Phone: 4189257

Please send me further information on establishing a manufacturing operation in Puerto Rico/USA.

Name: \_\_\_\_\_ Company: \_\_\_\_\_ Street: \_\_\_\_\_ City: \_\_\_\_\_ Phone: \_\_\_\_\_ I am interested in manufacturing the following products in Puerto Rico/USA:

Puerto Rico/USA

# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## ● RETAILING

### Eases problem of stock control

LITTLE larger than a hand-held calculator a device invented by MSI Data Corporation could help the small shopkeeper to reduce work on re-ordering to a simple keying-in operation once a week with validated order lists then transmitted automatically over the telephone line to the wholesalers.

The terminal which has been called the MSI77 has a memory inside it capable of storing information on up to 300 different types of goods which would cover the requirements week by week of a very large sector of the U.K. retail trade.

## ● COMMUNICATIONS

### Smoother run for the conference

ORGANISERS of conferences and debates know communication becomes progressively more difficult as the number of participants increases. Even with a few speakers at a meeting, poor acoustics in the conference room or hall, bad seating arrangements and demands by more than one person to speak at the same time can turn an important gathering into a frustrating time-waster.

A new conference system introduced by Philips and marketed by Pye Business Communications offers a flexible solution to these problems, without introducing the limitations associated with a public address system, which has been the conventional

Obviously there is an educational problem for the smaller store and there is a fairly strict discipline to be observed in re-ordering and labelling the goods.

However, MSI anticipates that the education would come largely from the wholesalers who also can make very considerable savings particularly in paper handling as retailers move over to the electronic ordering equipment.

At the wholesale end various types of receiving equipment are available from MSI ranging up to a unit able to take four phone calls at once translating these into computer tape, and also capable of calling up unattended terminals all over the country at night to extract from them the latest order position.

## ● COMPONENTS

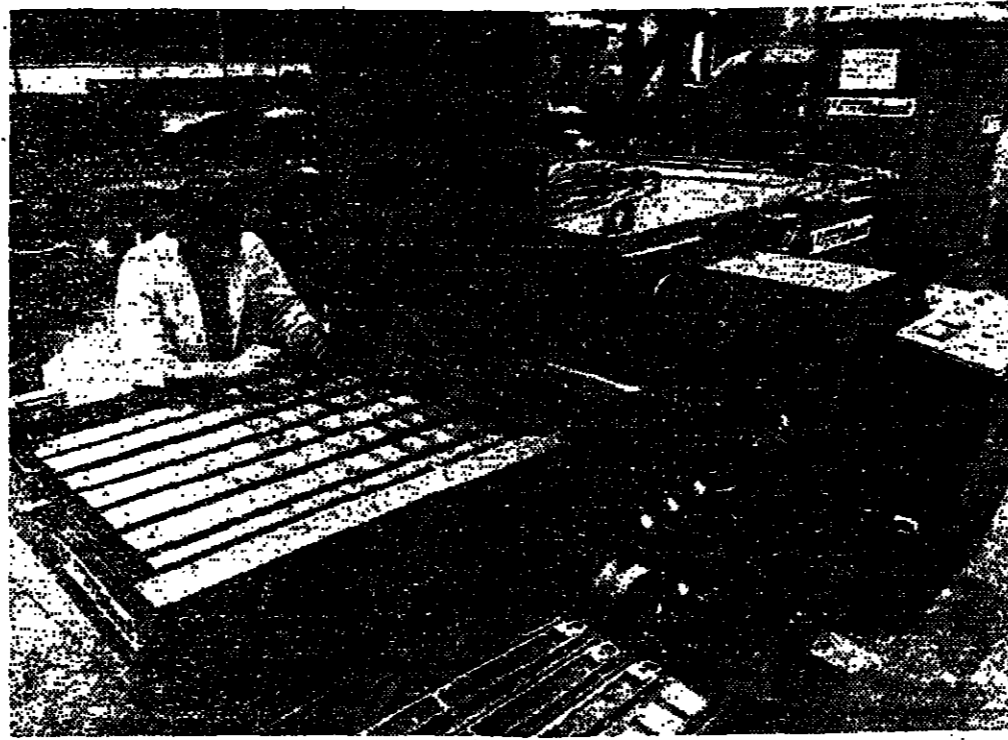
### A brake for Big Ben

IN OCTOBER, when the Great Clock (Big Ben) at the Palace of Westminster is stopped for adjustment to the end of summer time, the chiming mechanism will be fitted with a specially designed brake.

The brake was developed to prevent the cable drum over-speeding (which caused the accident last August), but it could be applied to a range of similar rotary mechanisms such as hoists, mine cages, lifts and cranes.

Basically the braking device consists of a rotating disc, driven by the drum. The disc carries weights, which can move to the periphery under centrifugal force. If the disc exceeds a pre-set speed of rotation the weights lock into an outer drive. This operates screw jacks that clamp brake pads on to the rim of the drum.

Designed and patented by the National Physical Laboratory,



Shot-blasting is more and more becoming a high precision process. This equipment, seen undergoing final checks at the Slough works of Vacu-Blast, has been designed to produce silicon wafers for the electronics industry and it is now in commercial operation in Holland. The plant is capable of cutting 180 silicon slices only 1.5mm in diameter an hour to produce 60,000 tiny crystals and will produce up to 500,000

of these in a day. Seven nozzles blast abrasive so precisely that shape and surface roughness to within 1.5 microns can be achieved. Uniformity of blasting is achieved with the aid of a device called the Tealight sensor which monitors the flow of abrasive through each nozzle. Vacu-Blast, which is a member of the Allied Polymer Group, reckons that this plant marks the entry of automated blasting equipment into the machine tool arena.

## ● HANDLING

### Dock work lift trucks

FEATURED THIS week at the Mechanical Handling Exhibition (NEC, Birmingham, until May 21) are two battery-powered lift trucks from Ransomes Sims and Jefferies, Ipswich, IP3 8QG (0473 7222).

The LOSOD has been developed for ports and harbours in co-operation with the Port of London Authority. The pneumatic-tyred E80A, shown in prototype and expected to go into production next year, is a high capacity truck for inside and outside operations in applications normally associated with intermodal container engine lift trucks.

The E80A has a capacity of four tonnes, and can work in rough, wet and slippery conditions. A driver's cab will have a lowered mast height of 97 inches and an overhead guard height of 86 inches, but a special low version with an overall

height of less than 78 inches will be made available for shipboard applications.

The LOSOD port truck can carry four tonnes and has been specifically designed as a stevedoring truck with both quayside and shipboard capabilities. It can also be used for industrial applications where there are height restrictions, such as in brickworks.

For maximum operating efficiency the port truck is fitted with a slow-speed motor and an automatic high speed control, giving the truck high travel speed on the quayside.

Both the new trucks incorporate a spreader bar with lifting points within the overhead guard and can be slung aboard ship with a standard four-leg chain sling and shackles.

The prototype port truck has been on trial in the Royal and Tilbury Docks for a year.

## ● HAND TOOLS

### Strips with one hand

A WIRE-STRIPPING tool from Weidmüller, Sweden, now available in the U.K., has been designed for single-handed operation. It is capable of stripping most types of insulation from single and multi-strand copper, aluminium and steel conductors of all types, including ribbon and co-axial cable, with cross-section areas ranging from 0.5 to 2.5 sq. mm.

A built-in cutter, shielded to prevent catching the fingers, will shear wire and cable up to the same cross-section.

Called Stripax, the tool has two pairs of jaws. The first strips the wire, while the second cuts, and removes the insulation, by moving rearwards, operated by a cam. Stripping length and wire thickness are set on adjustable stops.

Each stripping jaw houses a bank of 36 blades. Each blade can move individually, and they position themselves automatically around the cable. Insulation is removed without marking the conductor.

## ● INSTRUMENTS

### Detecting tiny traces

APPARENTLY simple modifications to its sample tube have given a Pye flameless atomic absorption spectrometer a remarkable increase in sensitivity when being used to measure trace elements.

For determinations of selenium, for example, the limit goes down to 44 picogrammes from 130 for chromium down to 13 from 90 and for aluminium down to 26 from 174 picogrammes.

Patents have been applied for on the company's "Profile" graphite tube which has been demonstrated with the SP-90 digital flameless atomiser, to achieve the results indicated above. The tube is profiled to the shape of the light beam of the spectrometer, so that the atoms formed are concentrated in the smaller area of the light beam rather than across the full diameter of an ordinary tube.

The new tubes are reported to show much better lifetimes than those they will replace. For the determination of lead in water, life expectancy is about 1,000 firings and for silicon in steel some 400 operations.

This development means that electrothermal atomic absorption can be extended to extremely delicate determinations of many more elements.

More from Pye Unicam at York Street, Cambridge. 0223 55856.

## Flying controls by DOWTY Cheltenham, England

## ● COMPUTING

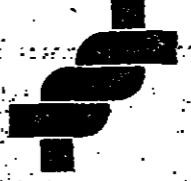
### Mini versus the micro

DEEPLY INVOLVED though it may be in the rapid progress of the micro-computer, high technology applications. National Semiconductor clearly does not subscribe to the belief held by some that the microcomputer will suffer grievously at the hands of the micro.

The most recent market forecasts from the company indicate that from a world market total of 56,000 units in 1975, the manufacturers of microcomputers, led by DEC, Data General and Hewlett-Packard will see their market expand to 158,000 units in 1980.

Significant in these statistics is that the company also expects to see the OEM market for complete systems to change sharply with an uptake of 40,000 in 1975 dropping to 25,000 but a total value declining from \$225m to only \$500m. At the same time however, the value of the central processors involved will decline overall from \$34m to \$22m, which means that the unit value will advance from \$850 to \$10,000.

The company predicts the uptake of microprocessors will advance from 39,500 units in 1975 to 175,000 in 1980 with unit values up from \$29.5m to \$249m. The share of the end-user in the final figure will be low in volume but high in value at 3,500 units (\$105m.) against 1,500 units (\$4.5m.). But the OEM market for processors will rise 140,000 units (\$140m.) from 28,000 (\$28m.)



Dfls 60,000,000.- 6% bearer notes 1973 due 1979/1980

Dfls 60,000,000.- 8% bearer notes 1975 due 1981

Dfls 50,000,000.- 8% bearer notes 1977 due 1982

N.V. Nederlandsche Scheepvaart Unie advises that, under an amendment of the Company's Articles of Association incorporated in a deed passed on the 18th of May, 1977, the name has been changed to

### Koninklijke Nedilloyd Groep N.V. (Royal Nedilloyd Group)

The change of name will not be expressed on the above mentioned Euro-guilder notes. Consequently, these will be traded under the old name until they mature.

Rotterdam, May 18th, 1977. The Executive Board

N.V. Nederlandsche Scheepvaart Unie



## We're a big name in world transport. It's time you got to know us a little better.

Our name is the Nedilloyd Group. A name that probably conjures up the sea and the world of shipping. The assumption would in fact be quite right, but there's something else you ought to know. Shipping has been, and still is, the backbone of our operation. But we no longer deal with just shipping alone.

A tightly-knit combination. Today, in 1977, the Nedilloyd Group (which used to be known as the Netherlands Shipping Union Group of Companies) is a tightly-knit combination of shipping lines, stevedoring companies, forwarding companies and transport, airfreight, offshore drilling and industrial service businesses. Altogether there are around a hundred companies, employing some 17,000 people all round the world. It's a dynamic organization, growing all the time. Between 1970 and 1976, turnover rose from Dfl. 1460 million to Dfl. 2390 million. Over these seven years, investment totalled Dfl. 2725 million - and Dfl. 1870 million of this came from the Group's own cash flow. (One Dutch guilder is about U.S. dollar 0.40)

Balanced structure. Our success is very largely due to the careful and patient building of a well-balanced, integrated group of complementary companies. A ship, or an aircraft, or an articulated truck all fit in equally well with the broad outlines of our corporate philosophy. This makes it possible to offer such a comprehensive package of services.



There is a desk in London, New York, and other major cities, ready to help you. Write to Nedilloyd Group, P.O. Box 101, 3000 AA Rotterdam, The Netherlands.



## There's a lot more like me in Newport.

People who are willing and able to help you build a prosperous business, an abundance of all kinds of labour. But that's only one of the attractions of Newport.

There's the ease of access to London, the Midlands and the North. Fast main roads, frequent train service, airports and docks.

There are plenty of prime sites from 1/2 to 50 acres that are well worth a

look. If you decide to do more than look, there's an understanding Council willing and able to help, in the way it has helped many other companies. So think about Newport. Then look at Newport. Find out more by contacting the Chief Executive, Ref. Civic Centre, Newport, Gwent. Telephone 0633 65491.

## NEWPORT where business has room to boom.

Handwritten note: 10/10/77

LABOUR NEWS

Social contract revolt grows

BY ALAN PIKE, LABOUR STAFF

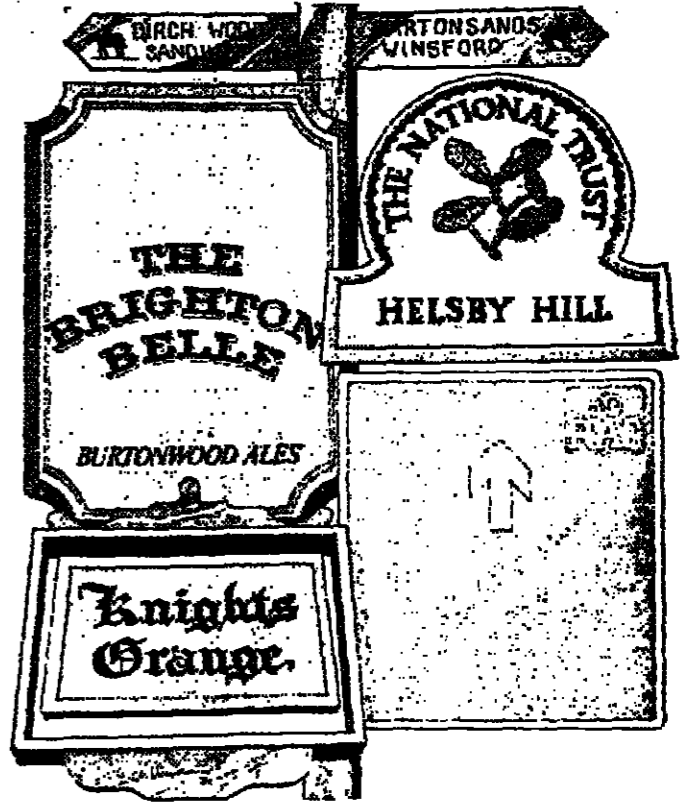
THE GOVERNMENT yesterday... cause under renewed... to move away from the... of the social contract as the... only alternative to certain defeat... at the next General Election.

social contract was "not only a... dead duck but a political... ability which should be buried... without delay.

Aberdeen Airport closed by helicopter strike

BY OUR ABERDEEN CORRESPONDENT

ABERDEEN Airport will be closed for fixed wing flights... to-day because of an escalation... of striking helicopter pilots action.



All the signs point to a great deal.

It's not everyone who can live and work in some of Britain's most beautiful countryside. But that's what's waiting for you in Vale Royal.

Form with fields for Name, Position, Company, Address and a coupon for more information.

State scientists support wage restraint for further year

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT, W. SCARBOROUGH

GOVERNMENT SCIENTISTS and other specialists... support to the principle... of another 12 months of... age restraint after July 31 and... improvement of normal wage... until the beginning of... 1978.

Post union agrees to longer working life

By Nick Garnett, in Bournemouth

THE ANNUAL conference of the Union of Post Office Workers yesterday backed a scheme giving its members a qualified right to have a longer working life.

Forte 'blackings' could begin again, says Law

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

WHOLESALE "blackings" of the inquiry will be concerned solely with the circumstances of the dismissal of a waitress, Mrs. Pat McGuire.

Warning of 'secret' pay policy

BY DAVID CHURCHILL, LABOUR STAFF

"SECRET" incomes policy... might also prove attractive to the Labour Government. It is not a new pay policy can be firmly agreed this summer with the TUC.

Inflation effects on low paid 'should be noted'

BY OUR LABOUR STAFF

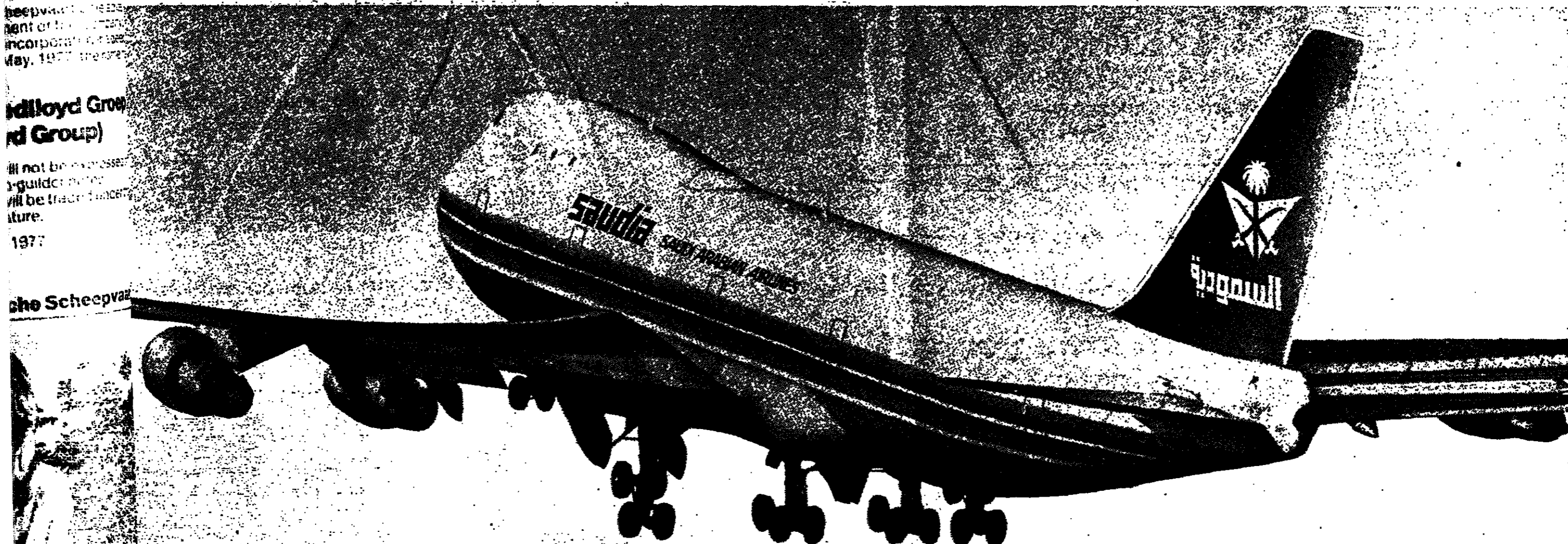
THE GOVERNMENT should regularly publish a special cost-of-living index for the low paid in order to monitor the effects of inflation on the poorest families.

Flying controls... Cheltenham... COMPUTING... Mini version... the micro...

1977... 1977... 1977... 1977... 1977...

lloyd Group... will not be... will be... 1977... the Scheepva...

ne in... 1977...



Now London-Riyadh non-stop 5 times weekly by Jumbo.

Only Saudia has flights capital to capital. Because so many people want to go to Riyadh direct, we are adding a new, all-Jumbo non-stop 747 service from Heathrow.

We have the biggest fleet operating in the Middle East, too. We've scores of daily flights to Cairo, Bahrain, Dubai, Kuwait - all the important centres.

The key to the heart of the Middle East. Saudi Arabia being one of the world's richest markets, is the heart of the Middle East's commercial world.





PARLIAMENT and POLITICS

Callaghan cautious on pay policy demand by Liberals

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A PREDICTION that the rate of inflation will decline in the coming year and the hope that it could even be halved were voiced in the Commons yesterday by the Prime Minister in the face of open scepticism from the Tories.

At the same time, Mr. Callaghan was given a firm warning from the Liberals, whose continued support is essential to the Government, that they would expect to see a "severe and stringent" Phase Three pay policy with the unions.

In replying to this point, the Prime Minister was notably cautious about the chances of getting a new pay agreement in the summer. In fact, he went out of his way to emphasise that the Government's entire economic policy would not fail if an agreement was not achieved.

Mr. Geoffrey Pattie (C. Chertsey and Watton) recalled that in a speech at Tunbridge Wells on April 30, the Prime Minister had said that inflation was winning the battle against inflation.

Inflation

The Prime Minister told him that all the forecasts showed that there would be a downturn in the rate of inflation in the second half of this year which would continue into the second quarter of next year.

Mr. Peter Blaker (MP for Blackpool South) is to call into question once more Mr. Callaghan's denial that any official attempt was made to smear the reputation of the present envoy.

Mr. John Davies, shadow Foreign Secretary, is believed to support the motion fully, but had to withdraw his name because of a convention that members of the shadow Cabinet do not sign such motions.

The signatories remain convinced that Mr. Callaghan and his advisers made a grave error of judgment in criticising Sir Peter and are now seeking to escape responsibility by blaming newspaper reports for the confusion.

MP wants limit on election spending

BY PHILIP RAWSTORNE

A BILL to limit general election campaign spending by political parties to £500,000 was given a formal first reading in the Commons yesterday.

Sir Winston put it so well...

BY PHILIP RAWSTORNE

THE CONSERVATIVES abandoned their dogged pursuit of the Prime Minister's diplomacy, or lack of it, in the Commons yesterday.

Even the fresh scene of a question about the Government's plans to cut the Foreign Service did not tempt the Opposition back to the chair.

Pressure for direct labour controls

By Ivor Owen, Parliamentary Staff

MINISTERS CAME under Conservative and Liberal pressure in the Commons last night to take immediate legislative action to subject local authority direct labour departments to strict financial disciplines covering accounting, charging and tendering.

Tories table envoy motion

BY RICHARD EVANS, LOBBY EDITOR

CONSERVATIVE MPs were still far from happy yesterday with the Prime Minister's version of how newspaper stories appeared last week suggesting that Mr. Peter Jay was being sent to Washington to alter an alleged "fuddy-duddy" image in the British Embassy.

Mr. John Davies, shadow Foreign Secretary, is believed to support the motion fully, but had to withdraw his name because of a convention that members of the shadow Cabinet do not sign such motions.

Jubilee plaque

A PLAQUE is to be set into the floor of Westminster Hall recording the visit of the Queen when she received the loyal addresses from Parliament commemorating her Silver Jubilee.

Conference cost

THE LATEST estimate of the cost to public funds of the Commonwealth Conference is £381,500.

Expansion of 'teaching companies' planned

FINANCIAL TIMES REPORTER

THE GOVERNMENT is hoping to see the idea of "teaching companies" expanded to enable students to learn more about industry.

At least six universities and polytechnics are preparing further proposals in co-operation with interested companies.

Expansion of 'teaching companies' planned

There were indications of dissent from the Opposition benches when Mr. Freeman replied to the statement made by the Prime Minister when he outlined the terms of the Labour-Liberal pact to the House in March.

Nuclear debate bid fails

MR. FRANK ALLAUN (Lab., Salford E.) failed yesterday in a call for an emergency Commons debate on Press reports that British scientists are working on new H-bombs.

These plans, apart from contravening Labour Party policy, are contrary to Government election pledges that there would be no new generation of nuclear weapons.

Nuclear debate bid fails

Mr. Frank Allauin (Lab., Salford E.) failed yesterday in a call for an emergency Commons debate on Press reports that British scientists are working on new H-bombs.

Call for insurance to feature in doorstep selling directive

BY JUSTIN LONG

PROPOSALS FOR including the EEC's intention to control insurance business in the intended EEC directive to prevent long overdue.

The draft directive seeks to ensure a Community-wide minimum standard of protection for consumers who enter into contracts for the cash or credit sale of goods and services over the value of about £17 away from business premises.

Mr. A. Hampton, chair of the European Mail Traders' Association at Froemans Ltd. and Mr. Carter, joint managing director of the Littlewood organ...

Written Answers

TREASURY Mr. David Weitzman (Lab., Hackney North and Stoke Newington). What would be the gross salary required to give a Cabinet Minister who is married with no children the same net income as he enjoyed in 1965?

Mr. Robert Sheldon, Financial Secretary. Assuming for 1977-78 the full implementation of the Budget proposals, in money terms a gross ministerial salary of £7,875 per annum would be required to give the same net income after tax and National Insurance contributions as that enjoyed in 1965-66 when the ministerial salary was £8,500 per annum.

RPI by the end of 1973. This reduction in the basic rate of 25 per cent would be voted before any increase in taxation which might be used to offset such large direct reductions.

Large advertisement for a car with the headline "There are times when you need a little extra per gallon." and a prominent "closed" sign in the foreground.

Handwritten note: 10/100 1260



# The Management Page

EDITED BY CHRISTOPHER LORENZ

Pressure for direct labour control

## New-style teamwork in worldwide accounting

BY NICHOLAS LESLIE

THE EMERGENCE of a truly international firm of accountants is an extremely rare occurrence. The largest and best-known firms such as Price Waterhouse, Peat Marwick Mitchell and Co., Deloitte and Toppers and Lybrand expanded into other countries well over 20 years ago.

There is some significance, therefore, in the outcome of a recent meeting in Barcelona, Spain, between the senior partners of accountancy firms from 11 countries. In a move inspired by London-based Jolliffe Cork International to cement even more firmly links with the London firm has been establishing with accounting firms overseas in the past few years.

The agreement also provides for each of the overseas firms to pre-fix the name Jolliffe Cork to its own. It seems likely that the present national names of the firms will eventually give way to leave Jolliffe Cork as sole name. That this step not being taken now is apparently due to objections raised by some professional accounting bodies, most notably in France.

At the centre of the move is Mr. Anthony Jolliffe, who has built up a considerable business of 12 years since founding his own firm called Jolliffe Cork in the West End of London, rather than the more conventional City. In December 1975, he linked with Corkwright Sunderland, the auditing arm of Mr. Kenneth Cork's accountancy interests.

Mr. Jolliffe, through his other firm, Gully and Co., is well known for his work as a receiver and liquidator of companies. Not content with that, the firm of Jolliffe Cork has been spreading its wings to management consultancy— an area where, again, the big accountancy firms are already well established. However, instead of taking the more traditional step of forming a separate company— Jolliffe Cork has formed an association with the Economist Intelligence Unit, the wholly-owned subsidiary of the Economist magazine which is most frequently cited with economic forecasting of trends in different business sectors.

The full range of the EIU's activities is, in fact, much wider, covering economic consultancy, market research and management consultancy. It is that they are complementary to Jolliffe Cork's business, though largely auditing, embraces general accountancy advice. Both firms are already international and have clients in common.

The type of co-operation envisaged could, for example, be consultancy job overseas won by the EIU, but requiring out-help in drawing up a financial analysis of corporate appraisal with documentation in the local language. This could be provided by the local partner in Jolliffe Cork.

The link was first established three years ago following an EIU initiative. After functioning on a tentative basis, the association is now set to expand in line with Jolliffe Cork's international strategy.

There is no formal association through either a partnership or joint company, although this may eventually come about. Currently, therefore, the association is kept going by regular meetings between the two sides.

Anthony Jolliffe describes his overseas partners as "all decent-sized firms." In all, there are 150 in the international partnership, with a governing Board of partners. While his firm is now considerably enlarged, Anthony Jolliffe insists that he is not trying to compete with the likes of Price Waterhouse or Peat Marwick Mitchell. "We have gone into a different market," he says, explaining that "my aim is to give a worldwide personalised service to smaller companies than would generally be handled by the large firms on an international basis."

The finances of his operation are arranged on the basis that if, for example, the Australian partner were to refer a client, Jolliffe Cork would pay 7 per cent of the fee concerned back to Australia, with a further 3 per cent going into the international partnership to cover costs there.

As a consequence of the moves Jolliffe Cork has made, a further partnership is now being established, this time with lawyers. Nabarro Nathanson and Co. handles the firm's legal work, and as the accounting network has been set up, so too has been a network of lawyers overseas associated with Nabarro Nathanson. So far, legal links have been established in 15 countries. The plan seems to be that eventually there will be lawyers associated with every country in which Jolliffe Cork is active, so that accountancy, legal and (through the EIU) management consultancy facilities can be offered through one source.



Mr. Anthony Jolliffe, the inspiration behind a new international accountancy partnership.



A. H. Hermann offers a step-by-step guide to Arab negotiating

## Middle Eastern labyrinths

ARAB negotiators have a tendency to play down the importance of elaborate written agreements; maintaining that they are used to doing things "simply" and that western parties to a deal had to complicate matters unnecessarily.

Some western businessmen tend to reach much the same conclusion for a different reason: where the Ruler's word is law, it may be a waste of time and money to give lawyers much say in the drafting of contracts. It is not surprising that lawyers practising in this specialised field of Middle East business deny the correctness of such approach. As did common law in England, they argue, Arab law became very formalistic in order to circumscribe the absolute power of the ruler. The respect which the written word enjoys in Arab countries is still a powerful help in the defence or enforcement of rights arising from business deals, they claim.

A recent conference on the legal aspects of doing business in Saudi Arabia, Iran and the United Arab Emirates, organised by the Legal Studies and Services in London, the assumption was endorsed that in the Arab countries the attitudes of authorities are of more importance than the written law. But at the same time it was stressed that there are legal rules and procedures which are respected by both courts and government authorities, and that western businessmen should consider them before starting to negotiate.

One of the basic rules is to proceed right from the start on the assumption that only the Arabic version of an agreement will be taken into account by Arab governments and courts. There is apparently no practical point in trying to agree otherwise. A translation into Arabic must therefore be not just grammatically correct, but must reflect the spirit of the agreement and the intention of the parties very clearly.

Besides securing the assistance of a first class translator, another important preliminary is to provide the negotiator with a power of attorney certified by the respective Arab embassy. Without such papers the company representative will hardly be accepted however impressive are the titles on his visiting card. This is just one expression of the general feeling of insecurity and lack of confidence which also makes it imperative that any agreed bank guarantee and performance bonds should be delivered on time if the future of the contract is not to be endangered.

When it comes to looking for the sources of local law (in an attempt to foresee what the local courts are likely to accept

This may also work as an effective deterrent to litigation, which is to be avoided whenever possible. It is a fairly commonsense rule that the western party should not appeal to local courts unless it has a case so strong that it can hardly be disputed.

The judges seem, on the whole, to have greater freedom in choosing which law to base their decisions on than a Western lawyer would normally expect. In Abu Dhabi, for example, it is taken for granted by the business community that the nationality and training of the particular judge. Still, there are certain rules which find general acceptance. Throughout the United Arab Emirates, speculative deals and "unjust enrichment" are prohibited. The original general prohibition of usury has been softened by allowing at least banks to charge interest. Even so, the courts will award interest only within certain limits, though they would not order repayment of interest already collected.

All the Arab States are distinctly hostile to the acquisition of land by foreigners, and land tenure still bears marks of periodic tribal redistribution. No foreigner can own land in Abu Dhabi, and even a local purchaser is expected to return the land to the original owner for a reduced price after four years, and free of charge after eight years. Sometimes attempts are made by individuals to apply the same rule to the sale of shares in an industrial enterprise!

A fundamental requirement for every foreign industrial or distributive enterprise in the Arab States of the Middle East is to have a local "sponsor" who takes a part of the profit. This is a legal as well as a practical requirement; without him, it would often be hard to get to know about Government contracts and other opportunities.

In general, it is advisable to deal with a properly registered and licensed company than with individuals or partnerships because of the very uncertain and complicated laws of inheritance. There are many more legal problems connected with contracts, both private and governmental. The only brief advice which can be given to new entrants to this market is: expect everything to be different.

The well-publicised problem of paybacks, with which many large companies became involved, was dealt with in this column on May 19, 1976.

historical influences one has to add the spate of recent legislation, particularly concerning foreign agents and local ventures by foreign companies. In the United Arab Emirates there is federal legislation in addition to local, but not every federal law is respected in all emirates.

It is important that contracts arranged with Arab countries reflect not only the agreement but also the spirit and the intentions of those who are party to it.

Interpret

Though it may be possible to agree that English, or another western law will apply to the contract, it should be borne in mind that the local authorities and courts will interpret it in the light of their own legal traditions. It is therefore dangerous to draft contracts in general terms, trusting that their interpretation will be governed by what is accepted as "reasonable" or a "good business practice" in English courts.

The contracting parties will be best protected by spelling out as clearly and as concretely principles of law. To these

### Sponsor

The selection of the right sponsor, and the framing of a suitable agreement to govern the relationship, are therefore of prime importance. It is best to avoid anything which would point towards an authority of the agent to act in the name and on the account of the foreign firm. This may lead to claims for compensation when the relationship is discontinued. Agents in this semi-employee status are prohibited in Egypt and the term "agent" does not have a very good reputation elsewhere. "Technical representatives" for industrial projects and distributors trading on their own account are seen as a better proposition.

There are many more legal problems connected with contracts, both private and governmental. The only brief advice which can be given to new entrants to this market is: expect everything to be different.

The well-publicised problem of paybacks, with which many large companies became involved, was dealt with in this column on May 19, 1976.

### BUSINESS PROBLEMS BY OUR LEGAL STAFF

#### Unit Trusts losses

I am contemplating the sale of some Government stock which I have held for considerably less than one year. Can the capital gain thus arising be offset fully by capital losses incurred last year in the sale of unit trusts or does some allowance have to be made for the reduced rate of capital gains tax payable on unit trusts?

Losses on unit trust disposals are treated just like losses on stocks and shares, so a £100 unit trust loss will cover a £100 gain on a short-term deal in gilts (regardless of the fact that unit trust gains are eligible for special relief under section 112 of the Finance Act 1972).

#### Lease renewal

I am the lessee of commercial premises whose lease expires in November next. Must I give notice in order to get a renewal? What do you advise me to do?

So long as you continue to occupy the premises for the purpose of your business your tenancy will automatically continue under the provisions of Part II of the Landlord and Tenant Act 1954. It is for the landlord (not for you), if he wishes to terminate the tenancy, to give you not less than 6 months' notice in the statutory form. Until you read such a notice you need do nothing, and would indeed be well advised not to make any enquiry of the landlord as to his intentions, as the present lease will continue at the present rent until terminated by the statutory notice. Even then you have the means of securing a new tenancy at the market rent if, therefore, you are served with a statutory notice you should at once seek advice.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All enquiries will be answered by post as soon as possible.

#### Management Consulting

A Guide to the Profession

The growing importance of consultancy, the substantial differences in approach and execution between management consulting and management practice, and the lack of formal training facilities for new consultants have created an urgent and widely felt need for a practical guide to the profession. Unique in its field, as a guide and textbook, this volume covers work methods, behavioural aspects of change implementation, design and control of consulting assignments, organisation of consulting units, training programmes for consultants and ethical considerations... a standard work on the subject... comprehensive... informative... (The Training Officer)

378 pages, 2nd imp. 1977. ISBN 92-2-101165-8 £10.00 International Labour Office 87/91 NEW BOND ST. LONDON W1Y 9LA. Tel: 01-499 2884

### Looking at Leicester No6

500 Anglers are conferring in Leicester this week. Rutland Water is not the only attraction. Leicester is now an important conference centre thanks to its central position, excellent hotels and many places of interest.

Enquiries to: Gordon K. Smith Esq., City Estates Surveyor, New Walk Centre, Welford Place, Leicester, LE1 6ZG. Telephone (0533) 549822 Ext. 6760.



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# The extra ordinary Marina.

The Marinas are a range of saloons and estates, all with stylish, aerodynamic lines and every model makes the very most of its engine. They give you that important margin of extra mileage for every gallon of petrol you buy. In the 1977 Total Economy Run, a Marina 1-8 achieved 40-69 miles per gallon. Economy. Another extra you can expect from Marina.



Car featured Marina 1-3 Super 2-door £2383.29. Marina prices from £2267.46 including car tax, VAT and front seat belts. Delivery and number plates extra.

Morris Marina From Leyland Cars. With Supercovers.

THE FINANCIAL TIMES

Incorporating THE FINANCIAL NEWS

Head Office Editorial & Advertisement Offices: BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

WEDNESDAY, MAY 18, 1977

Italy: a country shaken by crime and violence

By PAUL BETTS and DOMINICK J. COYLE in Rome



After a tear gas attack in another part of Rome, police peer at remaining rioters in the Piazza Farnese.

Learning from mistakes

ONE OF the most frequent charges against the Civil Service is incompetent long-term planning. Energy strategies have been devised and discarded with depressing results since 1955.

Invincible The difficulty with this line of attack is that it is nearly always found that the plans under criticism were perfectly reasonable in the light of the best opinion at the time they were made.

Ratchet effect The first two suggestions are essentially self-justifying, and it is to be hoped that the report will give a sharp jolt to those departments (which mercifully now appear to be few) which persist in planning as if the future were certain.

An undiplomatic message A GREAT deal of ink has been spilled in recent days about the advantages of youth over experience in the field of diplomacy.

An undiplomatic message

Mr. Smith's motives in making the threat, and in using the British government to convey it, are open to question. On the one hand, he may hope precisely to provoke an atmosphere of tension and distrust which would minimise the chances of progress—already slim—in any negotiations for the transfer of power in Rhodesia to the black majority.

Unstable Mr. James Callaghan may have done something to restore Britain's relationship with the Zambian government. Yet the fact remains that if the current Anglo-American initiative to solve the Rhodesian problem is to have any chance of success, it will require the greatest diplomatic skill.

For one thing Dr. Kaunda is grim indeed. It is not the first time as

BY ORDINARY standards, law and order has now broken down in Italy. Street violence and extra-Parliamentary protest meetings are commonplace, and in Rome itself are held in open defiance of a Government ban on all public demonstrations.

Italy's diary of violence April 1 Bomb attack against Bologna magistrate's car. Police-Mafia suifight—four dead.

Taking to the streets

Parliament is no longer an effective forum for political debate and the making of laws, certainly not after the inconclusive results of the last general election and when the activists, and the para-military extremists, have taken to the streets.

Men and matters

First find the oil Brazil's Minister of Mines and Energy, Shigeaki Ueki, is currently in London doing the rounds of banks and oil companies.

Malta's best seller

Two little old ladies who run a modest bookshop cum publishing house in Malta have suddenly, and to their great surprise, found themselves with a best seller on their hands.

New bank

Another rather grand sounding bank has just been created with the avowed aim of trans-

stayed behind in the charge of a greatly understaffed prison service created in a liberal system which provides for "lights out" no earlier than 10 o'clock.

Red Brigade anarchists

Political trials are dramatically interrupted or frustrated through the assassination of judges and lawyers, and the deliberate generation of a climate of fear which itself intimidates jurors.

Labour Party is now in a much better shape than before.

They do not appear to have had much success, however, and with three months still to go before his 12 months contractual expires, Metwally finds himself stopped and congratulated in the streets and given ovations from his students and businessmen when he turns up at economic seminars.

AMK Berlin

AMK Berlin Company for Exhibitions, Fairs and Congresses

15th Overseas Import Fair

Partners for Progress From September 21 to 25, 1977 manufacturers and exporters from Asia, Africa and America meet in Berlin to sign business contracts with numerous importers from European countries.

An Important Date for Europe's Importers

Europe's only specialised fair for products from overseas offers every advantage of a concentrated and favourably priced range featuring primarily textiles, footwear and leatherware, furniture, carpets, handicrafts as well as foodstuffs and luxury foods, technical products and semi-finished goods.

Berlin, September 21 to 25, 1977

Contact address: German Chamber of Industry & Commerce in the United Kingdom 26, Wellington Street, London EC4A 3DF. Telephone: 01-2523616, Telex: 319442

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COMPANY NEWS + COMMENT

ISSUE NEWS AND COMMENT

Broking boosts C. E. Heath to £11m.

PRE-TAX PROFIT of insurance brokers and underwriting agents C. E. Heath and Co. for the year ended March 31, 1977, expanded from £8.4m. to £11.57m. Broking operations contributed £7.48m. against £3.5m., and underwriting advanced from £2.34m. to £3.57m.

INDEX TO COMPANY HIGHLIGHTS table with columns for Company, Page, Col., and a list of companies like Ayrshire Metal, Bainbridge Engrng., Blockley's, etc.

Runciman slips to £2.5m.

ON TURNOVER higher at £33.63m. against £30.2m., profit of shipping and freight agents, etc. Walter Runciman and Co. for 1976 fell slightly from £2.77m. to £2.51m.

comment

Success, in its North American operations and the weakness of sterling, are two of the dominant factors in C. E. Heath recording pre-tax profits in excess of the most optimistic forecasts.

Recovery trend at Goldman

A second half 1976 profit of £10.817, against £32.982, is reported by E. Goldman Group. The group made a loss for the year as a whole of £11.740 compared with a profit of £124.472 before tax credit £47,249 (charge £7,317). Net profit emerged at £28,239 against £46,853, after an extraordinary credit of £72,750 (nil).

Investment Trust Corp. increase

After management expenses of £157,922 against £142,156, and debenture and loan stock interest of £384,988 (£197,823) pre-tax income of Investment Trust Corporation rose from £2.8m. to £3.2m. for the year to May 1, 1977.

Blockley's slightly ahead

After a steady first half of £262,426 against £202,200, factors which broke manufacturers Blockley's finished 1976 slightly ahead from £336,291 to £354,852.

Borthwick's

International meat traders and processors Interim Report for the six months ended 31st March, 1977

The unaudited results of the Group for the six months to 31st March, 1977 are shown below, together with those for the first six months of the previous financial year and for the year ended 30th September, 1976. The Board has declared an interim dividend of 2.4p per Ordinary share to be paid on 8th July, 1977 to shareholders on the register at the close of business on 3rd June, 1977.

Table with 3 columns: Six months ended 31st March, 1977; Six months ended 31st March, 1976; Year ended 30th September, 1976. Rows include External sales, Profit before taxation, Taxation, Profit after taxation, etc.

\* Extraordinary items for the six months ended 31st March, 1977 and 31st March, 1976 consist of exchange profits (losses) on translating net current assets of foreign operations at rates of exchange ruling at that date, net of deferred taxation.

The results for the half-year are quite satisfactory and have been achieved despite difficulties in some principal international meat markets. For example, Government restraints on imports into the United States continue, and the expansion of the Japanese beef market is being hindered through Government-imposed quotas.

Changes in world currencies have occurred on some scale, including formal devaluations of the Australian dollar and the New Zealand dollar, a weakening recently of the U.S. dollar and, happily, some measure of stabilisation of sterling. Anticipatory measures were taken in advance of these changes and the Group's profits were well safeguarded.

The acquisition of Midland Cattle Products in November, 1976, is proving a happy marriage, and the Company is being smoothly and profitably integrated with the Group.

The objective of broadening the base of our activities is being pursued in the confident knowledge that we are operating in a world-wide growth industry.

Subject to events beyond our control, it is our present view that satisfactory results will be achieved for the full year.

Borthwick's Thomas Borthwick & Sons Limited Priory House, St. John's Lane, London EC1M 4BX

Empire Stores £5.7m cash call

A rights issue to raise £5.7m. is proposed by small order group Empire Stores (Bradford) along with plans to raise the dividend by nearly 43 per cent in the current year. This is in the group's second rights issue within two years. In July 1975 £1.5m. was raised by way of a one-for-two issue at 55p per share.

At this stage it is too early to make a profit forecast though in view of the trading results to date the directors believe that in the absence of unforeseen circumstances the group will have another successful year. In the year ended last January pre-tax profits rose £1m. to £5.43m. on sales of £77.45m. against £60.27m.

Objectives at Wadham Stringer

IN RECENT times the Wadham Stringer group has succeeded in broadening its base, particularly in the service, parts, used vehicles, financing, leasing and insurance broking operations. This, states Mr. F. C. Stringer, the chairman, makes it much less dependent on factors and supplies outside its own control.

Forward Technology coming to market

In what amounts to a reverse take-over the quoted MPI group is to merge with the private electronics and music division of Forward Technology. The shares of MPI which has a chequered profits record and made losses in the last two years, were suspended last February at 3p pending publication of the merger details.

That projection is not wholly indicative of the activities that will remain so a pro-forma statement of notional profits for the enlarged group to June 30, 1977 which includes 15 months from FTI will be £2.9m. after £218,000 less net profits of £215,000. On these figures the directors would expect to recommend a dividend of 2p per share for 1976-77 and 6.7p for the year to June 30, 1977.

J. Kincaid lower but pays more

Marine engineers and boiler-makers, John G. Kincaid and Co. announces 1976 profit down from £1.74m. to £1.36m. before tax of £0.71m., against £0.88m. The net final dividend is 19.58p per £1 share, making a total of 24.36p (£18.045p), the maximum allowed (£17.98m.) and £233,000 (£244,000).

Oxley to maintain recovery

The good recovery of Oxley Printing Group in the second half of 1976, against a pre-tax loss of £165,000 in the 1976 period to a profit of £336,000, is expected to continue throughout 1977, chairman Mr. Michael Lewis says in his annual statement.

Randalls prospects better

Substantial economies have been achieved by the closure of Randalls Group's Hexthorpe factory, and marketing arrangements are now on more solid grounds, says Mr. C. R. Randall, the chairman. Prospects for the group in the current year are therefore much better, Mr. Randall adds.

DIVIDENDS ANNOUNCED

Table listing companies and their dividend payments, current and proposed, with dates and amounts.

Fight back by John Foster

PRE-TAX profits of spinners and weavers, John Foster and Sons, finished the year to February 25, 1977, more than fourfold the previous year's figure and turned in at £387,850. This makes up to some extent the ground lost in the £477,754 of 1974-75 but is still a long way short of the record £1m. (annualised) for the year 1973-74.

Copydex well ahead in second half

After a lower first half of £116,000, compared with £141,735 pre-tax profit of Copydex was ahead in the second, to end in 1976 up from £187,780 to £252,288, subject to tax up from £58,342 to £147,942. Profit is £217,519 of the 1976 record.

comment

In line with the rest of the textile sector John Foster starts its recovery in the second six months and household products. The company makes adhesive tape.

Advertisement for Midland International Financial Services B.V. featuring 'Guaranteed Floating Rate Notes 1987' and Midland Bank Limited.

Credit & Guarantee Insurance

In its first year of operation following its reorganisation, the Credit and Guarantee Insurance Company received gross premiums of £1.06m. and after allowing for reinsurance, a net amount of £257,000 was retained. Expenses amounted to £108,000 and the insurance fund at the end of 1976 stood at £147,013.

Advertisement for King & Shaxson Limited, 21 Gresham Street, London EC2A 3DF.

FIDELITY RADIO Preliminary Results for year ending 31st March 1977

Table with 3 columns: 1977 £'000; 1976 £'000. Rows include Turnover, U.K. Sales, Export, Total Sales, Profit before Taxation, etc.

A satisfactory level of trading was achieved in difficult economic conditions. Our sales at home increased by 36% and our exports jumped by 49%. The expansion of our sales was the result of a better penetration of the market both at home and abroad, and our policy of offering the public good value for money. This was achieved through improved efficiency and economy without sacrificing our margins.

LONDON UNITED INVESTMENTS LTD. Another Record Year

Table comparing 1976 and 1975 results for London United Investments Ltd. showing Pre-tax Profits, Earnings per share, Turnover, etc.

RESULTS FOR THE YEAR ENDING 31st DECEMBER

Table comparing 1976 and 1975 results for London United Investments Ltd. showing Turnover, Operating profit, Insurance, Other, Group overheads, etc.

The Directors recommend payment of a final dividend of 1.86284p per share on 8th June, 1977. These dividends, together with the related tax credit, amount to 5.79335p per share for the year and compare with 5.2834p per share for 1976. Copies of the Report and Accounts may be obtained from the Secretary, Dept. FTI, 20-21 Red Lion Court, EC4A 3ED.

ANNOUNCED  
Monday  
Tuesday  
Wednesday  
Thursday  
Friday  
Saturday  
Sunday  
Bank Holiday

1976  
1,864  
154  
2,058  
323  
1,133

1,735  
697

1,033  
185

853  
123

927

371

663

12.12p  
11.20p

# Furness Withy profit recovers to £22.6m.

GREATLY IMPROVED returns from the investment in Overseas Containers and the shipping market helped Furness Withy and Co. to report a profit of £22.6m. for the first quarter of 1977, compared with a loss of £1.1m. in the corresponding period of 1976. The company's profit before tax was £22.6m. compared with a loss of £1.1m. in 1976. The company's profit before tax was £22.6m. compared with a loss of £1.1m. in 1976.

The chairman, Sir James Jones, said: "The company's profit before tax was £22.6m. compared with a loss of £1.1m. in 1976. The company's profit before tax was £22.6m. compared with a loss of £1.1m. in 1976. The company's profit before tax was £22.6m. compared with a loss of £1.1m. in 1976."

## Copydex ahead in second half

The company's profit before tax was £22.6m. compared with a loss of £1.1m. in 1976. The company's profit before tax was £22.6m. compared with a loss of £1.1m. in 1976. The company's profit before tax was £22.6m. compared with a loss of £1.1m. in 1976.

## Bank Limited

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## United Textiles

The company's profit before tax was £22.6m. compared with a loss of £1.1m. in 1976. The company's profit before tax was £22.6m. compared with a loss of £1.1m. in 1976. The company's profit before tax was £22.6m. compared with a loss of £1.1m. in 1976.

## IG 31st Dec

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## 1,864 154 2,058

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## 323 1,133

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# First quarter £11m. from General Accident

TAKABLE profit of General Accident Fire and Life Assurance Corporation was £11m. for the first quarter of 1977, compared with £1.1m. in the previous comparable period.

## Ayrshire Metal steps up pace

AFTER a mid-term advance from £203,000 to £266,000, Ayrshire Metal Products has upward trends in pre-tax profits.

## Bainbridge expands to £238,605

Aluminium and steel prefabricated units manufacturer Bainbridge Engineering ended the year to March 31, 1977, with record pre-tax profits of £238,605.

## Jones Grp. improves to £1.23m.

AFTER A SLIGHT setback from £1.5m. to £1.23m. at half-way, the Jones Group has improved its performance.

## Hartwells advance to £1.2m.

SECOND half pre-tax profit of Hartwells Group showed a considerable improvement to end the year to February 28, 1977, up from £0.7m. to a record £1.2m.

## Clement Clarke to continue upward trend

AFTER passing the £1m. mark for the first time in 1976, Clement Clarke (Holdings) is expected to achieve another satisfactory increase in pre-tax profits.

## Lennon Bros.

Tobaccoists etc. Lennon Bros. reports turnover net of VAT up from £843m. to £9.87m. for the year to end January 1977.

## FAGS

The directors of the Antofagasta (Chile) and Bolivia Railway Company have recommended a dividend of 5.5p to 5.75p net.

## IONY MARKET

### Adequate credit supply

of England Minimum Rate 8 per cent since May 13, 1977.

Sterling Deposits		Local Authority Deposits		Finance House Deposits		Commercial Deposits		Discount Deposits		Treasury Bills		Savings Bonds		Foreign Exchange	
Rate	Period	Rate	Period	Rate	Period	Rate	Period	Rate	Period	Rate	Period	Rate	Period	Rate	Period
6 7/8	3 months	6 7/8	3 months	7 1/8	3 months	7 1/8	3 months	7 1/8	3 months	7 1/8	3 months	7 1/8	3 months	7 1/8	3 months
7 1/8	6 months	7 1/8	6 months	7 3/4	6 months	7 3/4	6 months	7 3/4	6 months	7 3/4	6 months	7 3/4	6 months	7 3/4	6 months
7 3/4	9 months	7 3/4	9 months	7 7/8	9 months	7 7/8	9 months	7 7/8	9 months	7 7/8	9 months	7 7/8	9 months	7 7/8	9 months
7 7/8	1 year	7 7/8	1 year	8 1/8	1 year	8 1/8	1 year	8 1/8	1 year	8 1/8	1 year	8 1/8	1 year	8 1/8	1 year

# Gerrard & National DISCOUNT COMPANY LIMITED

Statement by the Chairman, Mr. R. G. Gibbs

\* I am pleased to inform you that, after taxation, profits for the year ended 31st April, 1977 amounted to £3,410,000 compared with £2,897,000 in the previous year.

## Bulmer and Lumb tops £1.4m.

ON TURNOVER ahead from £14.38m. to £21.17m., pre-tax profits of Bulmer and Lumb (Holdings) finished the 33 weeks to April 30, 1977 up from £224,412 to £1,388,412 after £450,888, against £200,061, for the first half.

The directors said that the year's earnings more than doubled from 3.8p to 7.98p per share and the dividend total is lifted from 2.28p to 2.78p with a final 1.54p.

	1977	1976
Profit for year	4,000	2,000
Total cost of dividends	3,410	2,897
Ordinary dividends (gross)	1,103	1,003
Disclosed Shareholders' Funds	45,027	40,937
Total Assets	801,948	113,500

Gerrard & National Discount Company Limited  
32 Lombard Street, London EC3V 9BE. Tel: 01-623 9981  
Associated Companies: The Astley & Pearce Group

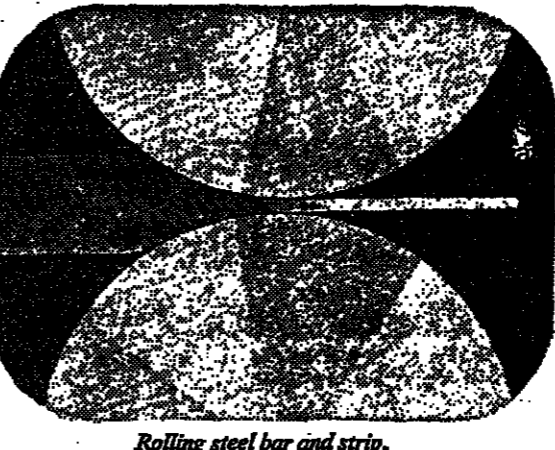
# “...some deflation must now be put in hand if some of the country's industries are not to be closed for ever.”

Extracts from the Statement by the Chairman, Mr. Leslie Fletcher, in the 1976 Report and Accounts.

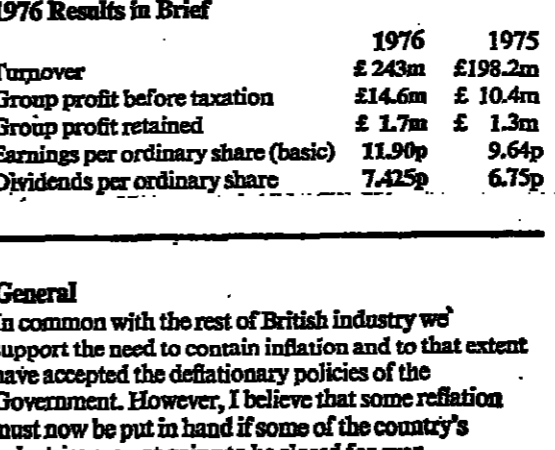
Results and Dividends  
It is pleasing to be able to report an improvement in profits before tax of some 40 per cent, with a figure for the year of £14.6m.; overall increased by only 20 per cent, indicating an overall improvement in margins.

The Year's Activities  
Although the second six months failed to sustain the growth which was showing during the second quarter of the year, nevertheless profits were sufficient to enable us to meet the half-year forecast.

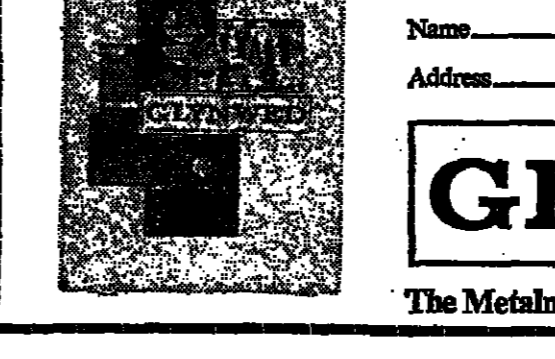
Once again, the steel and engineering side of the business produced very good results and steel stockholding came in with good figures when compared with those of 1975.



Rolling steel bar and strip.



Manufacturing copper tubes and fittings.



Manufacturing stocking and distributing screws and fastenings.

### Prospects

Clearly from what has been already said, there will be continuing pressures on most of our building and consumer products activities and we have put in hand a programme of TV and newspaper advertising to give as much help as we can to the efforts of the recently established National Home Improvement Council.

### Appreciation

I am very pleased to record my appreciation of the commitment of employees in what has been a very difficult period.

### General

In common with the rest of British industry we support the need to contain inflation and to that extent have accepted the deflationary policies of the Government. However, I believe that some deflation must now be put in hand if some of the country's industries are not going to be closed for ever.

If you would like a copy of the Report and Accounts, please complete this coupon.

To: The Secretary, Glynwed Limited, Headland House, New Coventry Road, Sheldon, Birmingham B26 3AZ.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

# GLYNWED

The Metalmasters









# Whitbread announce the following trading performance for the 12 months to February 1977.

	1975/76	1976/77
Profit before tax	£30.7m.	£42.6m.
Dividend	£7.6m.	£8.3m. (proposed)
Tax	£16.5m.	£22.3m.
Profit ploughed back	£7.9m.	£10.9m.

Didn't we do well! Or did we? It seems to depend on where you stand.

Standing at the bar, you might be tempted to observe that if we have made that much money we should not increase the price of a pint so often.

Standing for Parliament, you might (depending on your political leaning) make capital out of the short term profit growth of 8.9% which is well ahead of last year's rate of inflation.

Our employees might ask how long must they stand for wage restraint while we make massive profits.

On the other hand, those same employees stand to gain from our investment plans, as do the retailers who make a living by trading in our products.

Our shareholders can look forward to an increased dividend. And the Chancellor can and by to receive a substantial windfall in duty and VAT.

Clearly we cannot satisfy all these points of view. What is the correct balance, the fair profit for which we are prepared to stand up and be counted?

Let us take you through some facts:

**First, the good news.**  
Profit before tax increased by £11.9m., a rise of 38.9%.

Investment plans can therefore continue. We are half way through a 5 year programme with £116m. planned to be spent over the next 5 years. There is a brewery going up at Magor South Wales, new lager production facilities, a new canning line and an extensive programme of building and renovation in our licensed estate.

Employment results from our investment plans, not just for our own people but also for workers in supplier companies, particularly in the construction industry. Our own profit performance allowed us to continue producing beer packets for nearly 40,000 people—plus their families—for another year.

The Drinker has had to put up with price rises, but still gets one of the cheapest pints in Europe. Our volume has certainly held up, which encourages us to believe that the value

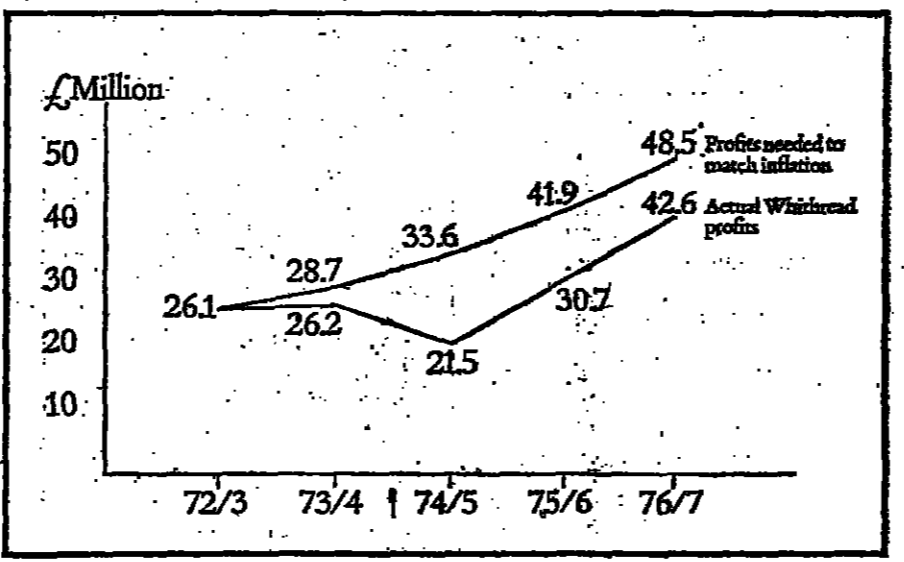
of British beer in the British pub is widely appreciated.

The public at large will benefit from the fruits of our labours in the shape of the taxes and duty that we pay. Last year we generated around £200 million which would have paid for any of the following:

- Half of the cost of school meals, milk and welfare foods
- or all public expenditure on libraries
- or most of the cost of the fire service.

**Now, the not-so-good news.**

Inflation has taken its toll of our long term prosperity—our performance over the past 5 years has been consistently behind the inflation-adjusted targets.



Dividends are even further behind inflation—the shareholder (who, these days, is often a retired hard-working man or a pension fund manager) has suffered most of all.

	71/2	72/3	73/4	74/5	75/6	76/7
ORDINARY DIVIDEND TO SHARE-HOLDERS	100	105.0	110.5	117.4	128.0	140.8
RETAIL PRICE INDEX	100	106.1	114.7	139.8	171.8	199.7
AVERAGE EARNINGS PER EMPLOYEE (Refers to all full-time wholesale and retail employees)	100	114.9	128.3	150.6	179.2	191.9

Prospects are not rosy—the second half results are much inferior to the first:

	1976/77 vs 1975/76
FIRST HALF PROFIT	+£9.3m. (+49.8%)
SECOND HALF PROFIT	+£3.1m. (+23.7%)

These figures may be exaggerated by the phenomenal summer of 1976, but the devastating impact of accumulating cost increases in the second half is all too apparent.

For example: malt went up by 35%, hops by 22%, cans and cartons by 19%, and fuel and power by 29%.

Costs must be recovered and the only sure way is through increased prices. Failure to put up our prices last year would have resulted in a £14.5m. profit fall—down to £28.1m., which is not much better than 4 years ago.

We might have had less explaining to do, but we would also have done less investing—spent less on new plant and equipment, and less on our estate—with a consequent chain reaction on earnings, jobs and future profits.

Human resource is probably our most important single asset. Caring for it and nurturing it is an increasing problem. At its most obvious it is a problem of rewards and security which depend on Whitbread remaining competitive and profitable. But it goes deeper than that. Morale can be lowered by many things: seeing the standard of living of one's family decline, having to operate an obsolete machine for cost-saving reasons, listening to our critics, feeling that the whole commercial structure of society may be tottering.

We want to play our part in removing these irritants—we know that self-interest, even enlightened self-interest, is not enough in the changing modern world.

**So where do we stand on our profits?**

For a start, let us declare an interest: we worked damned hard to earn them! You cannot expect us to achieve total detachment, nor to expound original wisdom on how to perform the economic miracle.

As a large national company we are a significant social unit and, as such, willing to account for our performance to the community as a whole—even though that means trying to satisfy conflicting opinions.

We think our performance, seen in the context of the past 5 years and our view of the next 5 years, has achieved a reasonable balance. We think our plans to plough back most of our profits are responsible and, within our limitations, likely to bring the greatest happiness to the greatest number.



**WHITBREAD & CO. LTD.**



# Raw materials gamble for new petrochemical plant

BY W. L. LUETKENS

**WORLD SCALE** petrochemical feedstock plant is coming on line at Sarnia, in the Canadian province of Ontario, which will put to the test whether close proximity to markets and a location with a developed chemical industry can outweigh an assured supply of oil or natural gas, the two possible raw materials, from close-by sources. It reproduces part of a larger battle between the industrialised and the oil-producing nations.

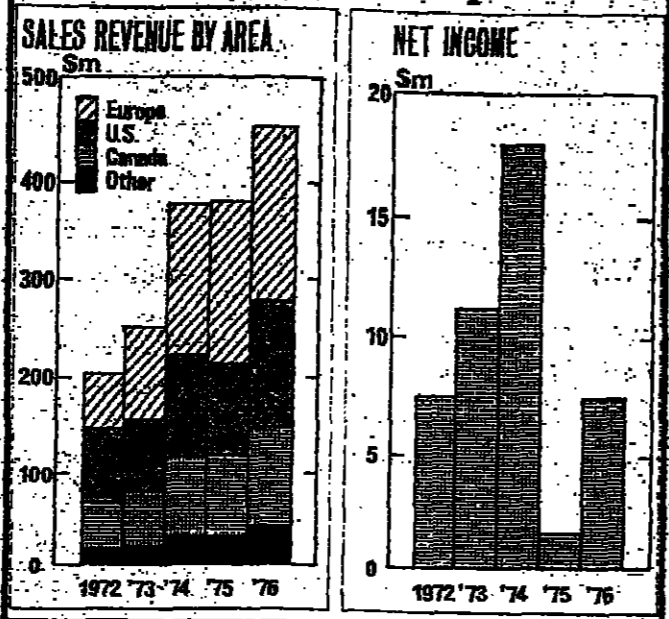
Petrosar, the facility at Sarnia, began processing oil last month, though all it has for sale at the moment is heavy fuel oil which happens to be a drag-on market. The refined fractions are being stored until October, when the whole plant goes on stream. Within a short time it is then expected to reach a capacity of 1.1m. lbs of ethylene annually, plus 1m. lbs of propylene, 500m. lbs of butadiene, isobutylene, and ethylene (all used to make synthetic rubber), 30m. U.S. gallons of benzene, and 46m. U.S. gallons of aromatics.

The crude oil comes by pipeline from Alberta at present, a province which also has petrochemical ambitions, and has used to guarantee that Petrosar can always rely upon Alberta itself will use natural gas as raw material in a plant under construction near Red Deer for Alberta Gas Trunk Line and Dome Petroleum.

## Alternatives

Since the existing Canadian fields—almost all of which are in Alberta—are declining, the province has to look to alternatives. The plant is sited on an inland seaway from the Saint Lawrence river to the Great Lakes, so that oil could come by tanker, after being transported from super tankers where east of Quebec City, it could come from Montreal in the pipeline which at present moves Canadian oil east, but which will one day be reversed to bring overseas oil into Ontario. Rather more likely there is a possibility

## POLYSAR Annual Report 1976



Originally Polysar was a crown corporation set up during the war as part of a North American crash programme to produce synthetic rubber. To this day that is Polysar's main product: the company claims to account for about 8 per cent of world production (excluding East Europe and China).

The involvement with Government explains why a House of Commons committee in Ottawa is investigating certain "unacceptable practices" — the phrase is taken from Polysar's annual report — at the concern's sales affiliate in Switzerland. The report says that these practices have been stopped: they involved rebates to customer companies being paid not to the company directly concerned, but to sister companies in other countries, with the possibility of tax or exchange control infringements. There is no suggestion of bribery.

Besides rubber and latex, Polysar makes plastics: a 600m. lbs styrene facility is coming on stream this year in Sarnia. When it does, the existing 250m. lbs plant will be mothballed, because the fact of the matter is that cyclically and for reasons of excess capacity, these are not happy times in the industry. The Petrosar investment is making a severe dent in Polysar profits for the moment though the net income last year was \$7.5m. on sales of \$457.5m after a decline to \$1.6m. in 1975 (on sales of \$392.1m.).

Though Polysar is first and foremost a Canadian petrochemical and plastics company it does extend further downstream into the manufacture of plastic articles, both in Canada and in Europe, through the Bellplast group which is based in Germany. Styrene capacities exist in the U.S. and a venture into diversification has been made with Comshare, a computer timesharing service provided on both sides of the Atlantic.

Polysar therefore qualifies for membership in the small Government, CDC, also, is but not undistinguished group Polysar's main shareholder.

Petrosar are its shareholders and main customers: Polysar (with a 40.2 per cent holding); Du Pont of Canada (20 per cent); and Union Carbide of Canada (20 per cent). The Union Carbide share originally belonged to Dow, which subsequently pulled out and is trying its luck in Alberta instead.

The shareholders are not only joined in the Petrosar ventures: their plants at Sarnia also share steam and power generating facilities. Moreover like everyone else in Sarnia they can call on reserves of manpower, required, whenever plant requires periodic maintenance, calling for far more men than are generally employed. That is one of the assets with which the men of Petrosar hope to weigh up the disadvantage of not having a captive oil supplier.

**Rebates**  
A further holding in Petrosar belongs to the Canada Development Corporation (CDC), a holding company whose largest shareholder is the Canadian Government. CDC, also, is but not undistinguished group Polysar's main shareholder.



## C.E. Heath & Co. Limited

INTERNATIONAL INSURANCE BROKERS REINSURANCE BROKERS AND UNDERWRITING AGENTS

Preliminary Results for the Year Ending 31st March, 1977

	Year to 31 Mar 77 £000	Year to 31 Mar 77 £000	Year to 31 Mar 76 £000	Year to 31 Mar 76 £000
<b>Broking</b>				
Brokerage	14,934		10,096	
Investment Income	1,169		829	
Expenses	(8,625)		(7,125)	
		7,478		3,800
<b>Underwriting</b>				
Profit Commission	—		330	
Insurance Company Profits	571		127	
Fees and overriding commissions	3,367		2,682	
Investment income and interest	1,234		752	
Expenses net of recoveries	(1,605)		(1,552)	
		3,567		2,339
Other investment income		409		231
<b>Operating Profit</b>		11,454		6,370
Interest paid		(285)		—
Other income and expenditure		103		31
<b>Profits before taxation, minority interests and extraordinary item</b>		11,271		6,401
Taxation		(5,065)		(3,182)
Minority interests		(148)		(101)
Profits before extraordinary item		6,058		3,118
Extraordinary item		(294)		(84)
<b>Net profit available for appropriation</b>		5,764		3,034
Dividend paid and proposed		(1,243)		(577)
Retained earnings carried to general reserve		4,521		2,457
<b>Earnings per share</b>		65.7p		36.0p

The increase in income from our broking operations of 47.9 per cent, and the reduction from 70.6 per cent to 57.7 per cent in the expense ratio reflect a substantial addition of new business. On the underwriting side, as expected there was no profit commission from our Lloyd's operations but there was continued growth in Australia and the results show for the first time profits arising from the new insurance companies.

The Board recommends a final dividend which together with the associated tax credit will amount to 14.0p per share on the present issued and fully paid share capital. With the interim dividend paid in January this will make a total distribution for the year, equivalent to a gross dividend of 20.0p per share (1975/76 - 10.232p).

It is expected that the full published Report and Accounts will be posted to Shareholders on 10th June, 1977 together with the notice of the Annual General Meeting which will be held on 8th July, 1977. Subject to approval at that meeting, the final dividend will be paid on 7th July, 1977 to Shareholders on the register at the close of business on 3rd June, 1977.

The Directors are also recommending a capitalisation issue of two new shares for every one share held by Shareholders on the register at the close of business on 3rd June, 1977.

F. R. D. HOLLAND, Chairman

Copies of the full accounts will be obtainable on 10th June, 1977 from the Secretary, C. E. Heath & Co. Limited, Cuthbert Heath House, 151-154 Minories, London EC3N 1NR. Telephone 01-486 2498.

Extracts from the 1976 report of

# BOLIDEN

**GROUP**  
Net sales and profit  
The year 1976 started out with hopes of good economic recovery. Visible signs of an upturn could be quickly noted on Boliden's most important markets, which are traditionally sensitive to economic fluctuations. But the recovery was soon interrupted, and the year as a whole was marked by weak market conditions. As a result scarcely more than half the operating profit improvement of about SKr 100 million indicated in last year's annual report could be realized. Most of the unfavourable performance was attributable to the Mining and Metals Division of the Parent Company, and to the Sala Group.

Group sales increased by 4 per cent to SKr 2,466.9 million (1975: SKr 2,375.8 million). Operating profit after straight-line depreciation rose to SKr 43.7 million (2.5). The operations resulted in a loss of SKr 19.8 million (-32.5) before appropriations and taxes, and net profit for the year was SKr 26.6 million (38.7). The adjusted net result was a loss of SKr 6.0 million (-19.9), equivalent to -2 kronor per Boliden share (-6).

**PARENT COMPANY**  
Production  
Copper production rose to 62 000 metric tons (57 000), lead to 49 800 (36 700) and gold to 4.6 (3.4), whereas silver production fell to 197.9 (218.8). 26 100 tons of zinc clinker were produced (25 200). Sulphuric acid production fell to 663 200 tons (685 700).

Net sales and operating profit  
Sales of the Parent Company, Boliden AB, rose by 6 per cent to SKr 1,451.1 million (1,370.6). The operations after straight-line depreciation resulted in a loss of SKr 17.6 million (-13.9).

Net profit and dividend  
The Parent Company reports a net profit of SKr 25.0

million for 1976 (1975: 46.0 million). Together with a balance of SKr 0.9 million brought forward from 1975, the sum of SKr 25.9 million is available to the Annual General Meeting. The Board of Directors propose a dividend of 7 kronor per share (10), amounting to SKr 24.3 million in all, and that SKr 1.6 million be carried forward to new account.

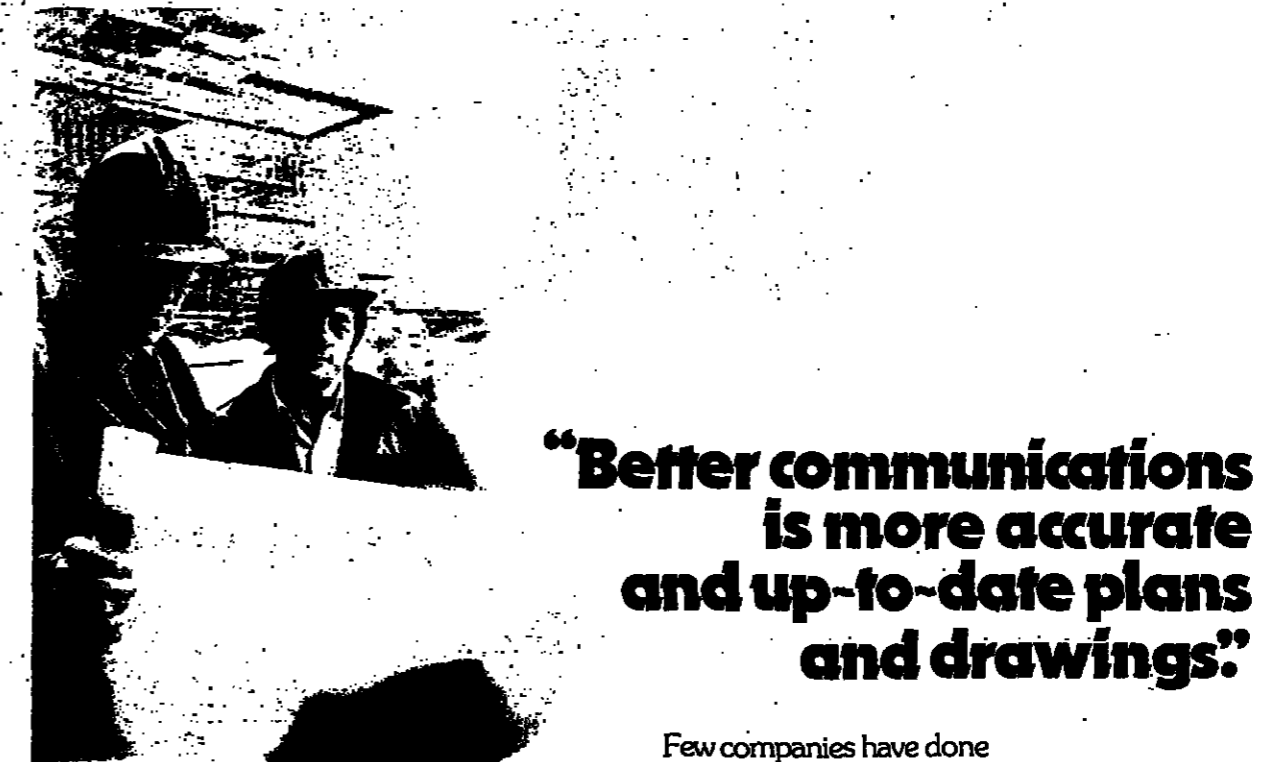
SKr millions	1976	1975
Net Sales	2 467	2 376
Cost of sales, selling and administrative expenses	(2 284)	(2 247)
Operating profit before depreciation	183	129
Straight-line depreciation	(139)	(128)
Operating profit after straight-line depreciation	44	3
Non-operating items net	(72)	(43)
Extraordinary items	8	7
Loss before appropriations	(20)	(33)
Appropriations	61	122
Profit before taxes	41	89
Taxes	(9)	(68)
Minority interests	(5)	5
Net profit	27	26
Adjusted net loss, SKr per share	(-2)	(-6)
Dividend, SKr per share	7	10

	1976	1975
Cash	159	211
Other current assets	1 208	1 145
Fixed assets	1 785	1 887
	3 152	3 043
Current liabilities	585	508
Long-term liabilities	1 061	865
Unsettled reserves	998	1 067
Minority interests	54	77
Shareholders' equity	514	526
	3 162	3 043

Boliden is the leading Scandinavian producer of non-ferrous metals and related inorganic commodities.

COPIES OF THE FULL REPORT may be obtained from Boliden Aktiebolag, Information Department, Box 5608, S-114 85 Stockholm, Sweden, or from Boliden Intertrade (UK) Ltd., Oak House, London Road, Sevenoaks, Kent TN19 1BL.



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INTERNATIONAL FINANCIAL AND COMPANY NEWS

Statsforetag needs clearer aims

BY WILLIAM DUFFORCE. STOCKHOLM, May 17. PER SKOLD, managing director of the State holding company Statsforetag, the Swedish equivalent of Britain's National Enterprise Board, urged the Government and Parliament to define more clearly the aims of his group. In a statement at the annual general meeting he said the companies needed to have a better balance between investment and production. Statsforetag's heavy industries—iron mining, forest products and petrochemicals—accounted for over its Kr.9.5bn. (£1.3bn.) sales gave a very poor return on heavy investments they made.

Swedish Match restructure delayed

BY WILLIAM DUFFORCE. STOCKHOLM, May 17. THE SWEDISH Match Group, which when the profit collapse occurred which started off a takeover offer from the Kemanor Chemical Company earlier this year, expects some improvement in 1977 earnings. But the takeover battle has delayed the restructuring process within the group's ten product divisions. Mr. Rolf Deipoff, the outgoing managing director, writes in the shareholders' report for 1976, released today, "In fact, Swedish Match performed better than expected over the last four months of 1976 and was able to avoid the loss forecast at the eight-month stage. Earnings after cost-calculated depreciation and before extraordinary items came out at Kr.56m. (£7.5m.) on a turnover of Kr.4.6m. (£620m.). That is Kr.15m. less than in 1975, however. Swedish Match has pumped some DM.140m into the Kibel concern, of which DM.70m. was the original purchase price.

Newly formed Arab-Canadian bank

BY MARGARET REID. ARAB INVESTORS, including the Egyptian-based Arab African Bank and the Canadian group Bank of Montreal, have joined forces to set up a new bank, International Resources and Finance Bank, which will operate from a headquarters in Luxembourg and from an office in London. Mr. Shakerullah Durrani, IRFB's president, said yesterday that the bank was international in character and specifically structured to meet the needs of the Middle East and Africa. "Our objective is to recycle available resources in the Middle East and Africa to transfer relevant and viable technology to these areas," he added. The bank is wholly-owned by Arab International Trust—a Luxembourg-based—in which Bank of Montreal has a 30 per cent stake and Arab African Bank one of 10 per cent. The chief other shareholders are interests in Saudi Arabia and the United Arab Emirates, whose holdings together are between 25 per cent and 30 per cent while the rest of the shares are owned by a number of holders in the Middle East, the U.S. and Canada. Of IRFB's \$20m (£11.5m.) capital, \$10m is paid up. The aim is that initially the bank will concentrate on commercial banking, investment portfolio management and project finance and resource packaging. Mr. Shakerullah Durrani, president of the new bank and its holding company, said yesterday of the latter of these functions: "I see the possibility of projects being financed by aid, concessional finance and commercial finance. We would act as financial consultants in putting such finance packages together." Mr. Durrani is a former chief executive of Pakistan International Airlines. In 1971, he was Governor of the State Bank of Pakistan until he was removed from office on the change of regime after the India-Pakistan war; afterwards he headed Citicorp International Development Corporation in London in 1975-76. The Bank of England has concurred to the proposed opening in July of a sterling branch of the bank in the same premises as its existing office at 18 Finsbury Circus, London. IRFB intends in due course to seek authorisation to start of foreign exchange business. Other branches are to be opened in the Middle East this year. Bank of Montreal is lending some professional experts to help the new bank with its start-up operations. The chairman of IRFB is Mr. Sultan Ahmed El Haddad, who heads Arab African Bank, while Mr. R. H. McNeil, chairman of the Bank of Montreal, will chair the executive committee. Board members of the 18-man Board include Mr. Hans S. Emani, of Saudi Arabia, and from the U.A.E., Mr. Khalid Alami, of Sharjah, Sheikh Faisal bin Sultan Al Qassbi and Mr. bin Shurafa Hammadi (both of Abu Dhabi) and Mr. Abdul Ghafoor Behrouzian, of Fuzairah.

Fabrique Nationale

BY DAVID BUCHAN. BRUSSELS, May 17. PROFITS for 1976/7 are expected to be higher than the B.Fr.120m. and B.Fr.100 dividend that FN earned and paid out on the previous year. Turnover this year is expected to be B.Fr.10bn. against B.Fr.9.5bn. last year. FN is currently publishing its better loan returns by waiting for another three months. Two thirds of the new investment will go on a new factory to build the engine for the General Dynamics F-16 fighter which will probably be on order in the next five years. The year beginning this July will spend B.Fr.900m., or more than in the past five years, in the following year B.Fr.1.2bn. or more than in the decade. Company spokesmen say there is a contradiction between the announcements. FN will make part of, and assemble and test all of, the 485 engines which will go into the European purchase of the F-16 over 600 engines for any third country customers which the aircraft attracts.

RUMASA WINE BUSINESS

Export promotion planned

BY KENNETH GOODING. RUMASA, THE group owned by 42-year Jose Maria Ruiz-Mateos when he was Spain's largest holding company, traced back to the early 1880s when it signed an exclusive, 100-year supply contract with Harvey's, the U.K.-owned "Bristol Cream" concern. Harvey's later became part of Showers, at which time the contract was mutually ended, and then of Allied Breweries. As for Rumasa, acquisition followed. Today it is reputed to own half of Spain's sherry business—the takeovers included another previously British company, "The Dry Sack" and Humbert, the "Dry Sack" British. And at a recent count Rumasa also owned 14 banks, seven merchant banks, 11 finance companies, two insurance companies, 20 farming concerns and 50 assorted industrial companies, many of them involved in construction. Of course, as is usual with privately controlled Spanish firms, assets and reserves are worth issues. But Rumasa says it has reserves and reserves are worth U.S.\$1bn. There are 25,000 people employed by the group and in a characteristic Francoeseque style, no stranger to the wine business, Rumasa's emergence from

Oerlikon-Buehrle

Export promotion planned

BY JOHN WICKS. ZURICH, May 17. OERLIKON-BUEHRLE, the Swiss-based industrial concern, has forecast a rise in turnover this year of between 15 and 20 per cent. The Board is also proposing to raise some Sw.Frs. 184m. (£43m.) through a one-for-five rights issue which would increase the share capital from Sw.Frs.230m. to Sw.Frs.280m. This would be on the basis of 152,000 registered shares of Sw.Frs.100 nominal and 123,000 bearer shares of Sw.Frs.250 nominal all at a price of 400 per cent. The expected sales increase, forecast by Dr. Dietrich Buehrle, President of Oerlikon-Buehrle Holding AG, follows a 20 per cent sales growth in 1976 to Sw.Frs.2.55bn. The group, whose order total have developed favourably in the first months of 1977, reckons with good profits for the year as a whole. In 1976, consolidated net profits were up sharply to Sw.Frs.158.3m. (Sw.Frs.120.4m.). From parent-company profits of Sw.Frs.36.8m. (Sw.Frs.22.2m.), the holding undertaking proposes an increased dividend of 14 per cent against a previous 12 per cent. After a private placement this spring with institutional investors, the holding company's capital is now owned 52 per cent by the Buehrle family and 47 per cent by the public. Over a period of years, the family is to give up its share majority. Group investments should be at least as high as the 1976 Sw.Frs.162m., according to Dr. Buehrle. Major investments will be in production capacity in Zurich and Rome and new administrative facilities for the Zurich-based machine-tool department. Capacity of the Grantham munitions subsidiary, British Manufacture and Research Co. Ltd. is being expanded and will in time probably exceed that of the group's corresponding unit in Switzerland.

Dai Nippon Printing's European closures

BY YOKO SHIBATA. JAPAN'S largest printing company, Dai Nippon Printing is to liquidate its holdings in two European subsidiaries. This was revealed in the revised version of a report submitted to the Finance Ministry and Tokyo Stock Exchange on the occasion of an offer of 15m new shares. Dai Nippon Printing's two European ventures are a 51 per cent owned joint venture in Frankfurt (Habra Druk D. N. P. Auto) and a wholly owned subsidiary in Amsterdam (Roxobri). The company attributes its withdrawal decision to "structural problems" in the European printing industry, excess capacity and a decline in orders following the oil crisis. Heavy investment would have been required to make European subsidiaries competitive. Instead of making such investment, the company has decided to withdraw before incurring further losses. According to the revised document submitted to the Finance Ministry, Dai Nippon Printing's capital investment in the two partner

BALANCE SHEET 1976. On the 20th April 1977, the Annual General Meeting of the Board of Banco di Sicilia approved the accounts for the 1976 financial year. These results are summarized by the increases of 18.4% in the funds deposited, which reached Lire 5,550 billion, and of 18.5% in the loans and advances at short-, medium and long term, which exceeded Lire 4,120 billion. The Representative Office in Abu Dhabi was opened, while the Representative Office in Bogota was to be opened soon and the New York Branch will start operating in 1977.

SELECTED EURO DOLLAR BOND PRICES MID-DAY INDICATIONS. Table listing bond prices for various countries and currencies including Australia, Canada, France, Germany, Italy, Japan, etc.

US \$20,000,000 Medium Term Loan for The Municipality of Sharjah. Guaranteed by His Highness the Ruler of Sharjah. Arranged by Grindlay Brandts Limited. Provided by Banque Arabe et Internationale d'Investissement (BAII), Grindlays Bank Limited, Lloyds Bank International Limited, Security Pacific Bank. Agent: Grindlay Brandts Limited.

Gabinete da Area de Sines (An Agency of the Republic of Portugal). U.S. \$50,000,000 Guaranteed Floating Rate Serial Notes 1982. Unconditionally guaranteed as to principal and interest by the Republic of Portugal. The following are acting as representatives of the underwriters of the Notes: Citicorp, Read Overseas Corporation, European Banking Company Limited, Algemeine Bank Nederland N.V., Amex Bank Limited, Banque Nationale de Paris, Berliner Handels-und Frankfurter Bank, Samuel Montagu & Co. Limited, Orion Bank Limited.

Table listing various bank notes and exchange rates, including Bank of Tokyo, Citicorp, and other international financial institutions.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGE + Dollar easier

BY OUR WALL STREET CORRESPONDENT.

NEW YORK, May 17.

ADVERSE PRESSURES were overcome on Wall Street today and the market pushed ahead over a while cutting inflation two percentage points for the third straight centage points by the end of 1979.

PARIS—Market eased in quiet trading, with operators awaiting outcome of meeting of Left-Wing leaders.

U.S. stocks were mixed, French issues gave ground, Germans were little changed, Dutch shares improved, while South African Golds declined.

The U.S. dollar lost ground in late trading in the foreign exchange market yesterday, following demand for the German mark. The overall level of business remained low however.

TUESDAY'S ACTIVE STOCKS: Bank of America, U.S. Steel, General Motors, Ford, IBM, etc.

OTHER MARKETS: Canada lower, Australian Stock Markets were mostly lower in moderate trading yesterday.

EXCHANGE CROSS-RATES: May 17 Frankfurt, New York, Paris, Brussels, London, Amsterdam, Zurich.

EURO-CURRENCY INTEREST RATES: May 17 Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, West German Mark, Swiss Franc.

Indices: NEW YORK-DOW JONES, Standard and Poors, etc.

N.Y.S.E. ALL COMMON, KONTREAL, TORONTO, JOHANNESBURG, etc.

TOKYO, GERMANY, AMSTERDAM, COPENHAGEN, etc.

BRUSSELS/LUXEMBOURG, SWITZERLAND, COPENHAGEN, etc.

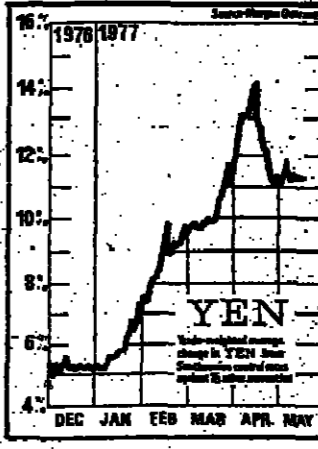
OVERSEAS SHARE INFORMATION: NEW YORK, etc.

CANADA, etc.

MILAN, VIENNA, etc.

STOCKHOLM, etc.

GOLD MARKET, FOREIGN EXCHANGES, SPECIAL DRAWING RIGHTS RATES, FORWARD RATES, etc.



By 10:30

GOLD MARKET

SUGAR PACT

UN sugar conference deadlocked in its fifth day despite a compromise...

LIADRAWS UP

WITH heavy losses of and crop because of the rain...

COFFEE MARKET SHAKEN BY BRAZIL DAMAGE REPORTS

THE LONDON coffee market was shaken yesterday by reports that Brazil had suffered its second major crop disaster in two years...

INTERIM WHEAT PACT OPPOSED

THE AUSTRALIAN Government announced today that it was against suggestions for a "crash programme" for interim international pricing arrangements...

U.S. ZINC PRODUCER CUTS PRICE

By John Edwards, Commodities Editor THE LONDON price of a cut in the official European zinc producer price...

WEST REJECTS CALL TO RAISE COPPER VALUES

THE U.S. and the EEC have rejected a call to raise copper values for Third World countries for action at governmental level...

EEC FISHING June talks planned to settle new policy

By Robin Reeves BRUSSELS, May 11. The Commission has now all delicate negotiations over shadowed by the threat of unilateral action by Britain...

NO U.S. SOYABEAN EXPORT BAN LIKELY

THE U.S. Administration would not consider a soyabean embargo even under circumstances similar to those in 1973...

COMMODITY MARKET REPORTS AND PRICES

Table with columns for Metals, Rubber, and other commodities, listing prices and changes.

L NOTICES

NOTICE IS HEREBY GIVEN that the High Court of Justice has granted an order...

COFFEE

Table showing coffee prices for various grades and origins.

RUBBER

Table showing rubber prices for different types and grades.

SILVER

Table showing silver prices for various forms.

SOYABEAN MEAL

Table showing soyabean meal prices.

COCOA

Table showing cocoa prices.

GRAINS

Table showing grain prices for wheat, corn, etc.

PRICE CHANGES

Table showing price changes for various commodities.

U.S. Markets

Table showing U.S. market prices for various goods.

PALM OIL

Table showing palm oil prices.

COTTON

Table showing cotton prices.

MEAT/VEGETABLES

Table showing meat and vegetable prices.

NEW ZEALAND wool stocks up

THE NEW ZEALAND Wool Marketing Corporation says its stock rose to 50,943 bales at the end of April...

STOCK EXCHANGE REPORT

Gilt strength highlights market—gains to 1 5/8 points Equities fade after early rise—Index up 1.5 at 468.2

Account Dealing Dates
Option
First Declared Last
Declarations Date
May 9 May 20 May 21

investment currency market but the premium edged forward to 12 1/2 per cent before closing a net 1/8 higher at 12 1/4 per cent.

G. A. Disappointment
General Accident, down 7 1/2 at 468 1/2, disappointed with the first-quarter profits in Insurance. Other Composites edged in sympathy.

rising to 134p fell to 118p on facing bid hopes before staging a rally to close only a penny cheaper.

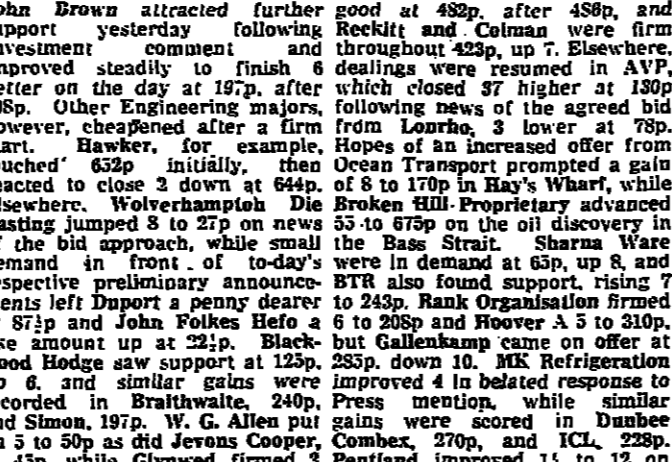
Stores were featured yesterday by a gain of 3 to 14 1/2p in Empire following details of the proposed dividend boosting 5.5m. Fresh issue.

General Occidentale, amid some controversy, Cavenham opened at 132p and closed at 133p, after 130p, compared with the pre-suspension price of 140p.

The miscellaneous Industrial leaders drifted after a firm start and final quotations were narrowly mixed.

improved 9 to 134p on revived talk of bid from Lloyd's and Scottish, while Reliant, at 81p, recovered almost all of the previous day's reaction of 1 1/2

hardened 3 to 21p, while Wemyss, 270p, and London and Aberdeen Preferred, 114p, put on a piece. London and Liverpool



John Brown attracted further support yesterday following investment comment and improved steadily to finish 6p better on the day at 472p, after 195p.

Oil's quiet
In the absence of any further local American inquiry for British Petroleum, Oils passed an unusually quiet session.

Property leaders drifted a shade easier on lack of support. Land Securities receded 3 at 132p and English lost a penny at 49 1/2p.

FINANCIAL TIMES STOCK INDICES table with columns for various indices like Government, Fixed Interest, Industrial Ordinary, etc., and their values over time.

HIGHS AND LOWS S.E. ACTIVITY table showing stock prices and activity for various sectors like Govt. Sec., Fixed Int., Ind. Ord., and Gold Mines.

ACTIVE STOCKS table listing individual stocks, their denominations, closing prices, and changes.

OPTIONS TRADED table with columns for DEALING DATES, Stock, and various market details.

ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office
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THEATRES
THEATRES

RECENT ISSUES

Table of RECENT ISSUES including EQUITIES, FIXED INTEREST STOCKS, and RIGHTS OFFERS.

FT—ACTUARIES SHARE INDICES

Table of FT—ACTUARIES SHARE INDICES including EQUITY GROUPS, FIXED INTEREST PRICE INDICES, and NEW HIGHS AND LOWS FOR 1977.

Handwritten note: 'copy 100 1550'



AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Main table containing financial data for various unit trusts and offshore funds, including columns for fund names, managers, and performance metrics.

BASE LENDING RATES

Table listing base lending rates for various banks and financial institutions, including B.N. Bank, Hill Samuel, and others.

CINEMAS

Table listing cinema listings for various theaters, including Leicester Square Theatre and others.

PERSONAL

Table listing personal services and financial products, including insurance and investment options.

CLUBS

Table listing club memberships and related services.

INSURANCE, PROPERTY, BONDS

Large table listing various insurance, property, and bond products, including life insurance, fire insurance, and investment bonds.

NOTES

Notes section containing additional information, disclaimers, and contact details for the financial services providers.



1 Camomile Street Telephone 01-623 7511 London EC3A 7JH Telex 8811181

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Table listing various British funds with columns for Stock, Price, and % Change. Includes sub-sections for 'Shorts (Lives up to Five Years)' and 'Five to Fifteen Years'.

CANADIANS

Table listing Canadian stocks with columns for Stock, Price, and % Change.

BUILDING INDUSTRY - Continued

Table listing building industry stocks with columns for Stock, Price, and % Change.

DRAPERY AND STORES - Continued

Table listing drapery and stores stocks with columns for Stock, Price, and % Change.

ENGINEERING - Continued

Table listing engineering stocks with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscellaneous)

Large table listing various industrial stocks with columns for Stock, Price, and % Change.

BANKS AND HIRE PURCHASE

Table listing bank and hire purchase stocks with columns for Stock, Price, and % Change.

CHEMICALS, PLASTICS

Table listing chemical and plastic stocks with columns for Stock, Price, and % Change.

ELECTRICAL AND RADIO

Table listing electrical and radio stocks with columns for Stock, Price, and % Change.

Over Fifteen Years

Table listing funds with over fifteen years of history.

Updated

Table listing updated fund data.

INTERNATIONAL BANK

Table listing international bank stocks.

CORPORATION LOANS

Table listing corporation loans with columns for Stock, Price, and % Change.

COMMONWEALTH & AFRICAN LOANS

Table listing commonwealth and African loans.

FOREIGN BONDS & RAIS

Table listing foreign bonds and rais.

Hire Purchase, etc.

Table listing hire purchase and other services.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit stocks.

CINEMA, THEATRES AND TV

Table listing cinema, theatre, and TV stocks.

ENGINEERING, MACHINE TOOLS

Table listing engineering and machine tool stocks.

FOOD, GROCERIES, ETC.

Table listing food, grocery, and other stocks.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building, timber, and road stocks.

DRAPERY AND STORES

Table listing drapery and store stocks.

AMERICANS

Table listing American stocks.

HOTELS AND CATERERS

Table listing hotel and catering stocks.

Conversion factor 0.6816 (0.6859)

Handwritten note: 100/150



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THE LEX COLUMN

Healey warning to private sector on phase 3

MR. DENIS HEALEY, the Chancellor, last night called on private sector employers to see that the new elements of flexibility in pay policy after July are not abused.

He warned that if we permitted ourselves a consumption boom, as in the early 1970s, it is doubtful whether we would even be able to earn a surplus on our balance of payments.



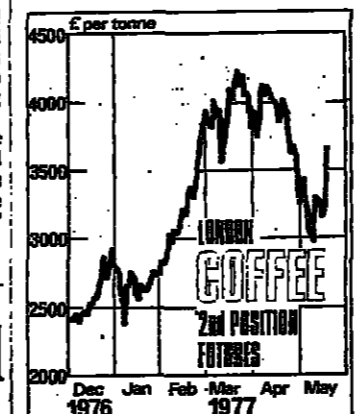
MR. DENIS HEALEY "Reasonable discipline"

North Sea oil "gives us time in which to repair the deterioration of our manufacturing base over the last 30 years."

Cold wind puts up price of coffee

BY RICHARD MOONEY

COFFEE PRICES soared on the London futures market yesterday after reports that next year's Brazilian crop had been damaged by cold winds.



Dec 1976 Jan Feb Mar Apr May 1977

Whitbread's growth cools off

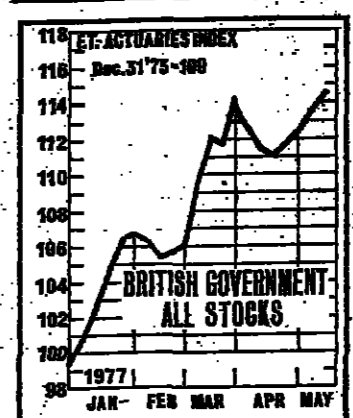
It was the turn of gilts to claim attention yesterday, with the institutions apparently deciding that there will be no conventional top issued in the near future.

Whitbread

At the interim stage, last year's brilliant summer helped push Whitbread's pre-tax profits 46 per cent ahead.

This slightly understates the improvement since a £19m. currency provision has been taken above the line and a strike at Luton cost the company well over £1m.

Index rose 1.5 to 468.2



especially interesting about the thoroughly assorted activities of AVF, though Lornho is said to have hotels somewhere in Africa and did pick up some other U.K. property assets last year through London City Westlink.

The trend on these round tables is to improve, however the same applies to the Atlantic where volume is falling although rates remain unsatisfactory.

Meanwhile the share at 290p, where the market capitalisation is £79m. The probably close to the where even after allowing the fall in starting Canadian could sell its per cent holding, as per by the Monopolies Commission without taking a loss.

Empire Stores

It is a measure of the market's current enthusiasm that shares that have been bought in the last two years are up 50 per cent higher than the 3p issued more than two years ago.

Unlike Gratant, however, Empire Stores is making a determined bid to increase its market share, expanded its catalogue 7 per cent, increased its staff by a tenth and in the half of last year its turnover was running 41 per cent higher.

In the current year turnover could increase to a quarter and, with the running costs associated with the computerisation of the pre-bids of £1m per possible. But a rise of £20m in debtors over the 12 months and a £3m increase in net borrowings point up the need for the issue.

BBC seeks court order on Cup Final ban

By Alan Pike, Labour Staff

THE BBC will seek a High Court injunction today to restrain the Association of Broadcasting Staffs from disrupting its plans for Cup Final coverage on Saturday.

A decision to go ahead with legal action was taken by BBC executives yesterday after the union had failed to satisfy demands for an "unequivocal assurance" that its members would work normally.

In the union's view it would be morally repugnant for the match to be transmitted to South Africa. Sir Charles Curran, director-general of the BBC, has responded that it would be political discrimination for the Corporation to cancel its contract with the South African Broadcasting Corporation.

The BBC plans to beam Saturday's match by satellite not only to South Africa, but to the Middle East, Australia, New Zealand, Malaysia and Hong Kong.

Defence chiefs accept U.S. call for big rise in NATO spending

BY MALCOLM RUTHERFORD

BRUSSELS, May 17.

EUROPEAN Defence Ministers today bowed to U.S. pressure and accepted that the continued Soviet military build-up requires a significant increase in NATO defence spending over the next several years.

The original U.S. formula proposed here today was for an increase of 3 per cent a year in real terms by all member States in each of the next two fiscal years.

This now looks like being changed into an average increase, with some countries paying more than others, though the time scale could be extended to allow spending to go on rising right up to 1985.

He said that the NATO Defence Ministers today, Dr. Brown proposed that the long-term defence programme sought by President Carter should concentrate on a number of high priority areas rather than attempt to cover the whole spectrum of defence.

The readiness of Nato to increase its defence spending should be a sign to the Soviet Union to restrain its military build-up. But if this sign were not taken, there would be no alternative for Nato to go ahead, he said.

Dr. Brown recommended that the programme should concentrate on the following areas: achieving greater combat readiness against short warning attacks; greater reinforcement capability; improving the maritime posture, command, control and communications; better logistics and electronic counter-measures.

The list, he said, was not exclusive and could be changed. The directive signed in Brussels in the presence of Mr. Fred Mulley, British Defence Minister, instructs the Department to offer equal opportunities to British and U.S. firms to win defence contracts.

The immediate beneficiary is likely to be Marconi, which has been seeking to supply the radar guidance for the advanced medium-range air-to-air missile to British and U.S. forces under the U.S. F14, F15, F16, and F18 aircraft.

balance of power in Europe will shift significantly in Russia's favour in the next few years, especially in the conventional field. Dr. Brown recommended that the programme should concentrate on the following areas: achieving greater combat readiness against short warning attacks; greater reinforcement capability; improving the maritime posture, command, control and communications; better logistics and electronic counter-measures.

The U.S. Air Force and the U.S. Navy had previously objected that the award of the contract to Marconi would allow the British access to too much sensitive technology.

seven other local authorities to submit to her their plans for going comprehensive with the minimum delay. The deadline for submissions is next Tuesday.

More than three-quarters of secondary school children were now in comprehensives, and she would have some hard questions to ask any of the eight main rebel authorities that failed to meet the deadline.

UNRELENTING and increasing allegations of activity in Australia by the United States Central Intelligence Agency (CIA) are becoming a serious embarrassment to the government here, attracting more and more media attention.

London traders were reluctant last night even to guess at the possible damage, but Parana growers were quoted as estimating losses at between 15 and 30 per cent.

The picture is equally vague for the total Brazilian crop. The damage is understood to be confined to young trees, but as a result of the average of the 1975 frost a very large proportion of Parana's trees come into this category.

Two questions were asked. The first was whether or not the respondent wanted both grammar and secondary modern schools to be retained, which produced the strongly favourable response quoted earlier.

Although directed to implement the Labour scheme by Mr. Fred Mulley, then Education Secretary, the council defended its right to retain selective schooling which, after lengthy legal proceedings, was confirmed by the Law Lords last summer.

Agee on CIA in Australia

BY OUR DOUGLAS CORRESPONDENT CANBERRA, May 17.

The latest to join the debate is Mr. Philip Agee, the former CIA officer about to be deported from Britain who, in an interview broadcast throughout Australia by the Australian Broadcasting Commission, named five U.S. diplomats who, he said, are CIA agents in Canberra.

Weather

UK TO-DAY MAINLY DRY with sunny intervals, although there will be scattered showers chiefly in southern England.

Table with columns for Day, Night, and Mid-day weather forecasts for various locations.

Table with columns for Day, Night, and Mid-day weather forecasts for holiday resorts.

Trade Department inspectors to probe Ozalid affairs

BY MAX WILKINSON

DEPARTMENT OF TRADE inspectors are to investigate the controversial affairs of Ozalid, the drawing office supplies company.

Tameside endorses selective schools

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

PARENTS in Tameside, Greater Manchester, have backed by a two-to-one majority their Conservative council's decision to retain grammar and secondary modern schools.

Agee on CIA in Australia

BY OUR DOUGLAS CORRESPONDENT

UNRELENTING and increasing allegations of activity in Australia by the United States Central Intelligence Agency (CIA) are becoming a serious embarrassment to the government here, attracting more and more media attention.

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